

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3724
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: MARCH 31, 2023

SUMMARY

- Synopsis:** Authorizes Higher Education Student Assistance Authority to award summer tuition aid grants in summer of 2023; appropriates \$1,000.
- Type of Impact:** State expenditure increase from the General Fund.
- Agencies Affected:** Higher Education Student Assistance Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2024</u>
State Cost Increase	\$26.9 million - \$35.8 million

- The Office of Legislative Services (OLS) estimates that this bill will lead to a one-time State expenditure increase between \$26.9 million and \$35.8 million in FY 2024 associated with providing tuition aid grants for coursework completed in summer 2023.

BILL DESCRIPTION

This bill authorizes the Higher Education Student Assistance Authority to award State-funded summer tuition aid grants to eligible students in the summer 2023 semester. The bill provides that a student’s receipt of a summer tuition aid grant is not to reduce the amount of a tuition aid grant awarded to the student during the academic year; be included when determining the student’s maximum tuition aid grant awards; or otherwise adversely affect the student’s eligibility for other State student financial aid awards.

The bill requires a summer tuition aid grant to be prorated against the full-time tuition aid grant awarded in the preceding semester so that a student enrolled in six to eight credits will receive half of the value of the full-time award and a student enrolled in nine to 11 credits will receive three-quarters of a full-time award.

The bill provides that summer tuition aid grants are to be funded by an appropriation of \$1,000 included in the bill, in addition to any available amount of unexpended funds from the full-time tuition aid grant account and any additional appropriation the Legislature may enact.

FISCAL ANALYSIS

EXECUTIVE BRANCH

No fiscal note has been submitted on this bill. However, the Tuition Aid Grant Study Commission, established by P.L.2019, c.298, recommended in its October 2022 Final Report expanding the Tuition Aid Grant program to provide awards to students enrolled in the summer terms. In the report, the Task Force estimated doing so would cost between \$29 million and \$39 million.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will lead to a one-time State expenditure increase between \$26.9 million and \$35.8 million in FY 2024 associated with providing tuition aid grants for coursework completed in summer 2023. Revised evaluation data included in the Governor's FY 2024 Detailed Budget indicates that 62,128 students received full-time tuition aid grants in the 2022-2023 academic year. Based on a comparison to federal Pell Grant participation, the OLS assumes that approximately 15 percent of full-time tuition aid grant recipients would also receive summer grants, which yields approximately 9,319 recipients of summer tuition aid grants. The average full-time semester tuition aid grant awarded for coursework during the academic year is \$3,846. Assuming that every eligible student enrolled in the summer attends full-time, the total cost to the State would be approximately \$35.8 million. However, it is likely that not every student would enroll full-time in summer coursework. To account for students attending part-time and full-time, the OLS assumes that the average student would enroll in between nine and 11 credits, or 75 percent of a full-time course load. Under these assumptions, the cost to the State of providing summer tuition aid grants would be \$26.9 million.

The OLS notes that, using a similar methodology, the Tuition Aid Grant Study Commission estimated that there would be a cost of between \$29 and \$39 million to implement the provisions of this bill.

<i>Section:</i>	<i>Education</i>
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<i>Approved:</i>	<i>Thomas Koenig</i> <i>Legislative Budget and Finance Officer</i>

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).