

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3724

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 16, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3724.

As amended, this bill authorizes the Higher Education Student Assistance Authority to award State-funded summer tuition aid grants for eligible students in the summer 2023 semester only, and makes an appropriation. The bill provides that a student's receipt of a summer tuition aid grant is not to: (1) reduce the amount of a tuition aid grant awarded to the student during the academic year; (2) be included when determining the student's maximum tuition aid grant awards; or (3) otherwise adversely affect the student's eligibility for other State student financial awards.

The amended bill requires the eligibility criteria for summer tuition aid grants to conform to the eligibility requirements for tuition aid grants provided for study during the academic year, and also requires that:

- the student is enrolled in six or more credit hours in the summer term;
- the courses for which the summer tuition aid grant is to be applied are in the same undergraduate program at the same institution in which the student was enrolled during the fall and spring semesters of the preceding academic year; and
- the courses for which the summer tuition aid grant is to be applied may be credited towards the student's graduation or academic major requirements.

The amended bill further provides that a summer tuition aid grant is to be prorated against the full-time tuition aid grant awarded in the preceding semester as follows: an eligible student enrolled with six to eight credits will receive one-half of the value of a full-time award, and an eligible student enrolled with nine to 11 credits will receive three-quarters of a full-time award.

Finally, the amended bill provides that summer tuition aid grants are to be funded by the bill's appropriation and any additional amounts as may be required from the unexpended balance of funds previously awarded for tuition aid grants. The bill further permits the Legislature to award additional funds for the summer tuition aid grants by a separate line item.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- provide that the summer tuition aid grant only be made available in the summer 2023 semester and remove provisions relating to the provision of summer tuition aid grants beyond that time period;
- add a one-time appropriation of \$1,000 from the General Fund to the Higher Education Student Assistance Authority for the bill's purposes and provide that the summer tuition aid grants may also be financed by a separate line item;
- provide that the authority may use any additional amounts as may be required from the unexpended balance of funds previously awarded for tuition aid grants to cover the costs of the 2023 summer tuition aid grants; and
- update the bill's synopsis.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will lead to a one-time State expenditure increase of between \$22.7 million and \$31.7 million for tuition aid grants for coursework completed in the summer of 2023. The OLS estimates that the overall cost of providing summer grants would be between \$26.9 million and \$35.8 million, based on the number of students receiving grants for the academic year, and assuming that 15 percent of those students enroll in summer coursework. However, the bill provides that the Higher Education Student Assistance Authority may use funds from the unexpended balance of the funds appropriated for tuition aid grants. Over the last 10 fiscal years, an average of \$4.2 million of the appropriation for the Tuition Aid Grant program has been unexpended. If the authority were to use an amount equal to this average unexpended balance amount for the provision of summer 2023 grants, the remaining cost would be between \$22.7 and \$31.7 million. The bill also makes a \$1,000 appropriation for the provision of summer tuition aid grants.