

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5740
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 16, 2021

SUMMARY

Synopsis:	Allows certain students who hold T, U, or O visa to qualify for in-State tuition and allows students who hold T or U visa to qualify for student financial aid.
Type of Impact:	Potential annual State expenditure increase from the General Fund; Annual revenue impact on public institutions of higher education.
Agencies Affected:	Office of the Secretary of Higher Education; Higher Education Student Assistance Authority; Public Institutions of Higher Education.

Office of Legislative Services Estimate

Annual Fiscal Impact	
Potential State Expenditure Increase	Indeterminate
Public Institutions of Higher Education Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that the bill may lead to an indeterminate annual increase in State expenditures under student financial aid programs administered by the Office of the Secretary of Higher Education (OSHE) and the Higher Education Student Assistance Authority (HESAA).
- The OLS determines that, due to the limited extent of the issuance of federal T and U visas, any increase in State student financial aid expenditures would likely be minimal.
- The OLS also determines that the bill would lead to an annual indeterminate, albeit small, impact on tuition revenue for public institutions of higher education.

BILL DESCRIPTION

This bill provides that a student who holds a T or U visa or who is a dependent student whose parent or guardian holds an O-1 or O-2 visa and meets certain requirements under existing law is exempt from paying the out-of-State tuition at public institutions of higher education. The bill

also provides that a student who holds a T or U visa is eligible to participate in any State student financial aid, grant, or scholarship program if the these same requirements are met.

Under current law, a student, including a student without lawful immigration status, is permitted to pay in-State tuition at the State's public institutions of higher education if the student meets the following criteria: (1) attended high school in this State for three or more years; (2) graduated from a high school in this State or received the equivalent of a high school diploma in this State; (3) registers as an entering student or is currently enrolled in a public institution of higher education not earlier than the fall semester of the 2013-2014 academic year; and (4) in the case of a person without lawful immigration status, files an affidavit with the institution of higher education stating that the student has filed an application to legalize the student's immigration status or will file an application as soon as the student is eligible to do so. The law specifically states, however, that students who are nonimmigrant aliens within the meaning of the Immigration and Nationality Act are not permitted to pay in-State tuition under the provisions of the law. Among those who fall under this nonimmigrant alien category are persons holding a T, U, O-1, or O-2 visa.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill would potentially result in an indeterminate increase in State expenditures under student financial aid programs administered by the OSHE and the HESAA. The magnitude of any increase would be determined by the form and amount of State student financial aid for which students would become eligible and the extent to which the availability of financial aid causes additional students to enroll in institutions of higher education. The OLS cannot quantify with certainty the magnitude of an increase because there is insufficient information as to the number of students who currently hold T or U visas and are attending or will attend institutions of higher education.

The OLS determines, however, that the increase in State student financial aid expenditures would be minimal because the number of affected students would likely be small. The basis for this assertion comes from the fact that the extent of the issuance T and U visas is rather limited in scope and number. The T nonimmigrant status (or T visa) is a temporary immigration benefit that enables certain victims of a severe form of trafficking in persons to remain in the United States for an initial period of up to four years if they have complied with any reasonable request for assistance from law enforcement in the detection, investigation, or prosecution of human trafficking or qualify for an exemption or exception. Meanwhile, the U nonimmigrant status (or U visa) is set aside for victims of certain crimes who have suffered mental or physical abuse and are helpful to law enforcement or government officials in the investigation or prosecution of criminal activity. Certain family members of T and U visa holders may also qualify for the T and U nonimmigrant status. Federal law limits the total number of available T visas at 5,000 per fiscal year and the number of available U visas at 10,000 per fiscal year.

In addition to the limited number of available T and U visas that may be issued on an annual basis, evidence from other states suggests that the budgetary impact of expanding student financial aid to holders of T and U visas will likely be small. For example, during the California

Legislature's consideration of substantially similar legislation in 2012, a fiscal analysis conducted by the California Student Aid Commission estimated that between 75 and 100 students annually would become newly eligible for aid under the CalGrants Program (California's primary student financial aid program) as a result of the legislation and that yearly costs to the program resulting from the bill would be up to \$159,000.

Given the likely low number of students who would newly qualify for State financial aid under this bill, the increase in State expenditures would likely be marginal relative to current appropriations for student financial aid programs, which the OLS calculates as \$577.6 million in fiscal year 2022.

The OLS also determines that the bill would lead to an annual indeterminate tuition revenue impact on public institutions of higher education. For reasons similar to those noted above, this revenue impact would likely be small given the limited number of students who would be covered under the bill. Higher education tuition revenues are not part of State budgeted expenditures; therefore, any changes in tuition revenues as a result of this bill would only impact the public institutions and would have no impact on State revenues or expenditures. While providing in-State tuition rates for T and U visa holders and the dependents of parents or guardians who hold O-1 or O-2 visas may reduce tuition revenue provided by those students (who may otherwise be paying higher nonresident tuition rates), a public institution may make adjustments to their tuition rates to offset any potential reductions in tuition revenue that may result from the bill's enactment. Moreover, longer-term tuition revenues may increase or decrease relative to where they would have been absent this bill to the extent that students, who may not have otherwise attended a public institution of higher education, would enroll in the institutions because of the lower tuition price created by the bill.

Section: Education
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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.).