

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1158
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: SEPTEMBER 15, 2020

SUMMARY

Synopsis: Provides tuition fee waiver apprenticeship courses.

Type of Impact: State Expenditure Increase.

Agencies Affected: Public Institutions of Higher Education and County Vocational Schools.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill will lead to an increase in State expenditures. However, the available data are not sufficient to estimate the cost. The OLS estimates that the costs of implementing the bill would be dependent upon the number of eligible persons enrolled at public institutions of higher education and county vocational schools in courses that are qualified to serve as the classroom training or education component of a registered apprenticeship program, who qualify for a tuition waiver under the bill; the total cost of tuition for these persons; and the remaining cost of tuition after the application of State and federal financial aid assistance and employer benefits.
- The OLS notes that in order to qualify for many State and federal student financial assistance programs, a student must be enrolled in a degree program. Consequently, many students enrolled in apprenticeship programs may not qualify for such assistance, which will increase the amount of tuition reimbursement required under the bill.

BILL DESCRIPTION

The bill requires public institutions of higher education and county vocational schools to waive the tuition fees of apprenticeship courses for eligible persons participating in a registered apprenticeship program. The courses must qualify to serve as the classroom training or education component of the registered apprenticeship program. The State will reimburse these institutions and schools for the waived tuition costs. An eligible person under the bill is an individual whose

gross aggregate household income at the time of admission to the institution or school is below the State household median income, as determined by the United States Census Bureau American Community Survey.

In order to qualify for the tuition benefit, an eligible person must:

1. have tuition costs that are not covered by the employer through employment benefits;
2. complete a Free Application for Federal Student Aid each year and have exhausted all financial aid assistance; and
3. retain employment as an active registered apprentice under the registered apprenticeship program, and maintain satisfactory academic progress to qualify for renewal of the tuition waiver.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill will lead to an indeterminate increase in State expenditures. However, the available data are not sufficient to estimate the cost. The OLS estimates that the costs of implementing the bill would be dependent upon the number of eligible persons who qualify for the tuition waiver, the total cost of tuition for these persons, and the remaining cost of tuition after the application of State and federal financial aid assistance and employer benefits.

The United States Department of Labor's Office of Apprenticeship reported 8,171 active apprentices in New Jersey in 2019. However, the OLS is not able to predict the number of apprentices who would meet the income and other eligibility criteria in the bill. According to the same 2019 report, there are 983 different apprenticeship programs in the State; however, data is not available on the average tuition costs of these programs. The tuition costs for apprenticeship courses vary widely by institution or school and by program. Finally, the OLS is not able to estimate the amount of tuition costs that would remain after the application of available State and federal financial aid assistance and employer benefits. The OLS notes that in order to qualify for many State and federal student financial assistance programs, a student must be enrolled in a degree program. Consequently, many students enrolled in apprenticeship programs may not qualify for such assistance, which will increase the amount of tuition reimbursement required under 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.).