

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 991**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 27, 2017

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 991 (1R), with committee amendments.

As amended, this bill establishes the New Jersey HonorScholars Program and provides for the program to be administered by the Higher Education Student Assistance Authority.

Under the bill, the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) Program is renamed, and is to become part of the New Jersey HonorScholars Program. Although the name of the NJ STARS scholarship is changed, the amount of scholarship a county college student is eligible to receive remains the same. The eligibility criteria for the county college scholarship also remains the same, except the bill permits students to be eligible for the scholarship if their class rank at the completion of the 11<sup>th</sup> or 12<sup>th</sup> grade is in the top 20 percent of their high school class. Currently, a student must have a class rank in the top 15 percent of the class at the completion of the 11<sup>th</sup> or 12<sup>th</sup> grade.

Under the bill, the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program is repealed. In place of NJ STARS II, the bill provides for the New Jersey HonorScholars Program to offer scholarships to students to attend a State four-year public or independent institution of higher education. A scholarship to a four-year institution under the New Jersey HonorScholars Program is to be applied to the cost of tuition. A student is eligible to receive a scholarship of \$2,000 for each semester of enrollment.

Two categories of students are eligible for a New Jersey HonorScholars Program scholarship to a four-year institution. A student who graduated from a county college and received a county college scholarship under the New Jersey HonorScholars Program is eligible to receive a scholarship for the third and fourth academic years at a four-year institution. The student is required to have a cumulative grade point average of at least 3.25 upon graduation from a county college. This student is eligible for a scholarship for up to four semesters, excluding summer sessions. Also, a student who graduated

in the top 10 percent of their high school graduating class is eligible to receive a New Jersey HonorScholars Program scholarship to a four-year institution for all four years. These students are eligible for a scholarship under the program for up to eight semesters, excluding summer sessions.

To be eligible to participate in the program and receive a scholarship to a four-year institution, the bill provides that a student must:

(1) have annual family income, both taxable and non-taxable, as derived from the Free Application for Federal Student Aid (FAFSA) for the academic year, of less than \$250,000;

(2) be a State resident pursuant to guidelines established by the authority;

(3) have applied for all other available forms of State and federal need-based grants and merit scholarships, exclusive of loans, the full amount of which grants and scholarships is to be applied to tuition to reduce the amount of any scholarship that the student receives pursuant to the program;

(4) be enrolled in a full-time course of study and maintain a 3.0 grade point average; and

(5) maintain continuous enrollment in a full-time course of study, unless on medical leave due to illness of the student or a member of the student's immediate family or emergency leave because of a family emergency, which medical or emergency leave must be approved by the four-year institution of higher education, or unless called to partial or full mobilization for State or federal active duty as a member of the National Guard or a Reserve component of the Armed Forces of the United States.

The bill provides an exemption to the requirement of continuous enrollment in a full-time course of study for certain students with a physical or mental health condition that prevents them from meeting this requirement.

The bill includes a grandfather provision that provides that a student receiving a scholarship under the NJ STARS Program and is in the first academic year of study at a county college on the effective date of the bill is to continue to receive the scholarship in accordance with the law governing NJ STARS as it read prior to the effective date of this bill. Similarly, a student receiving a scholarship under the NJ STARS II program who is in the third year of academic year of study at the institution of higher education will remain eligible for a scholarship under the program in accordance with the law as it read prior to the bill's effective date.

The bill takes effect immediately and is first applicable to the 2017-2018 academic year.

COMMITTEE AMENDMENTS:

The amendments permit the use of a New Jersey HonorScholars Program scholarship for attendance at a four-year independent institution of higher education in the State.

The amendments also allow a student receiving a program scholarship to take less than 12 credits per semester (full-time course of study) if the student presents a written note from a physician or other licensed health care professional indicating the student's need to take a reduced number of credits due to a physical or mental health condition.

FISCAL IMPACT:

The Office of Legislative Services expects the bill will result in an indeterminate increase in State expenditures for four reasons.

First, the bill expands the pool of high school graduates eligible to receive a scholarship to enroll in a county college. Under current law, a student who ranks within the top 15 percent of the 11<sup>th</sup> or 12<sup>th</sup> grade class is eligible to receive a scholarship to enroll in a county college. The bill expands the eligibility criteria to include students in the top 20 percent.

Second, the bill makes certain students who enroll in a four-year public or independent institution of higher education eligible to receive a scholarship without first enrolling in a county college.

Third, the bill increases the maximum value of a scholarship at a four-year institution of higher education from \$1,250 per semester to \$2,000 per semester.

Fourth, the bill allows students not enrolled in school full-time to receive a scholarship if the student provides a written note from a physician or other licensed health care professional indicating the student's need to take a reduced number of credits. These students are eligible to receive a scholarship for additional semesters, if necessary.