

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 2479

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 14, 2013

The Senate Budget and Appropriations Committee favorably reports Senate Bill No. 2479 (1R), with committee amendments.

As amended, the bill allows a student, including a student without lawful immigration status, to pay in-State tuition at the State's public institutions of higher education if the student meets the following requirements: (1) attended high school in this State for three or more years; (2) graduated from a high school in this State or attained the equivalent of a high school diploma in the 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 his immigration status or will file an application as soon as he is eligible to do so. It is the intention of the committee that, when appropriate, a county college would charge the in-county tuition rate in the case of a student who meets the requirements of subsection a. of section 1 of the bill.

Under the bill, a student who meets the above requirements for in-State tuition eligibility is also eligible to apply for, and participate in, any student financial aid program administered by the Higher Education Student Assistance Authority or the Secretary of Higher Education. The bill directs the authority and the secretary to establish procedures and forms that enable these students to apply for, and participate in, the State student assistance programs. Existing federal law, 8 U.S.C. s.1621(d), permits a state to make an alien without lawful immigration status eligible for a state or local public benefit for which the alien would otherwise be ineligible under federal law only through the enactment of a state law that affirmatively provides for such eligibility. The bill declares that the section concerning financial aid eligibility is a state law within the meaning of this federal provision.

COMMITTEE AMENDMENTS:

The committee amendments substitute the phrase “out-of-State” for “nonresident” in referring to the tuition rate that the eligible student will be exempt from paying. The committee also amended the bill to provide that the second section of the bill regarding eligibility for student financial aid programs will take effect in the 2014-2015 academic year, rather than immediately.

FISCAL IMPACT:

The Office of Legislative Services (OLS) believes that this bill, as amended, will result in an indeterminate increase in State expenditures and have an indeterminate fiscal impact on the public institutions of higher education. There is insufficient information to determine the bill’s fiscal impact, primarily due to the fact that the number of students who meet the requirements under the bill cannot be ascertained.

The OLS notes that higher education tuition revenues are not part of State budgeted expenditures, and thus the bill’s provision concerning in-State tuition would have no impact on the State. Any cost impact associated with this provision would be a reduction in tuition paid to the public institutions of higher education. Information on the number of undocumented students enrolled in the public institutions is not collected on a Statewide basis, nor does the OLS have authoritative information on the tuition they may be paying. Thus, the OLS is not able to project the potential reduction in tuition revenue if these students were paying in-State tuition rather than out-of-State tuition rates. The provision may increase the number of undocumented students who apply for admission to the public institutions and the likelihood of a greater number of such students attending the public institutions. The OLS notes that the institutions may make adjustments to their admission policies to offset any potential reduction in revenue that may result from the bill’s enactment. For example, an institution may decide to admit a greater number of out-of-State students to realize increased tuition revenues. Therefore, the fiscal impact on the public institutions is indeterminate.

The bill would increase the number of students eligible for State financial aid programs administered by the Higher Education Student Assistance Authority and the Secretary of Higher Education. Grant and scholarship programs such as the Tuition Aid Grant Program, the Educational Opportunity Fund, and the New Jersey Student Tuition Assistance Reward Scholarship Programs would require additional funding to accommodate the students newly-eligible under the bill’s provisions. The OLS cannot estimate the increase in State expenditures that would be necessary to support these students because there is insufficient information on the number of undocumented students who would meet the varying requirements of the State financial aid programs. The OLS also notes that if the appropriations

for any of these programs is insufficient to meet the statutory or other benefit level, the amount of financial aid awarded to each student would be reduced.