

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[Second Reprint]
SENATE, No. 2479

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2013

The Assembly Budget Committee reports favorably Senate Bill No. 2479 (2R).

This 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 the student's immigration status or will file an application as soon as the student is eligible to do so.

The Committee intends the bill to allow a county college student meeting the four requirements summarized above to pay in-county tuition rates, as appropriate.

The bill also allows a student meeting the four requirements summarized above for in-State tuition eligibility to be eligible to apply for, and participate in, any student financial aid program administered by the Higher Education Student Assistance Authority (HESAA) or the Office of the Secretary of Higher Education (OSHE). The bill directs the HESAA and the OSHE to establish procedures and forms. Note that existing federal law permits a state to enact a law affirmatively providing eligibility for a state or local public benefit to an alien without lawful immigration status, even if the alien would otherwise be ineligible under the federal law. See 8 U.S.C. s.1621(d). The bill specifically declares its provisions affirmatively providing eligibility for student financial aid administered by the HESSA or the OSHE as such a state law.

As reported, Senate Bill No. 2479(2R) is identical to the Committee's substitute for Assembly Bill No. 4225, as also reported by the Committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill 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 because 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 so the bill's provision concerning in-State tuition will 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 will increase the number of students eligible for State financial aid programs administered by the HESAA and the OSHE. 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 will require additional funding to accommodate the students newly-eligible under the bill's provisions. The OLS cannot estimate the increase in State expenditures that will be necessary to support these students because there is insufficient information on the number of undocumented students who will 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.