Synopsis: Allows certain students including undocumented immigrants who meet certain criteria to qualify for State student financial aid programs.

Type of Impact: Indeterminate increase in State expenditures.

Agencies Affected: Higher Education Student Assistance Authority; Office of the Secretary of Higher Education.

Office of Legislative Services Estimate

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<th>Fiscal Impact</th>
<th>Year 1</th>
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<td>State Expenditures</td>
<td>Indeterminate expenditure increase.</td>
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- The Office of Legislative Services (OLS) estimates that Assembly Bill No. 3617 (1R) may result in an indeterminate increase in State expenditures. 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.

- While the OLS is unable to provide a precise estimate, it is possible, using a series of assumptions, to assess the general order of magnitude of the increase. Based on assumptions described below, Assembly Bill No. 3617 (1R) may increase State expenditures by $5.3 million.

BILL DESCRIPTION

Assembly Bill No. 3617 (1R) of 2014 provides that a student who meets the requirements established under P.L.2013, c.170 (C.18A:62-4.4) is eligible to apply for, and participate in, any student financial aid program administered by the Higher Education Student Assistance Authority (HESAA) or the Secretary of Higher Education.
Under P.L.2013, c.170, a student, including a student without lawful immigration status, is allowed to pay the resident tuition rate 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 received 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.

This bill directs HESAA and the secretary to establish procedures and forms that enable these students to apply for, and participate in, the State student financial assistance programs. These procedures and forms will be posted on the websites of the Higher Education Student Assistance Authority and the Office of the Secretary of Higher Education.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS believes that this bill may result in an indeterminate increase in State expenditures. However, 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 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. While the OLS cannot forecast the increase in State expenditures that would be necessary to support these students, available data suggests that the order of magnitude of the potential impact is modest. Using data compiled by the Immigration Policy Center of the American Immigration Council, it is estimated that there are 28,464 undocumented immigrants in New Jersey between the ages of 15 and 30 who were eligible for the President’s “deferred action” initiative. If one assumes that there are 1,900 undocumented students in the age 17 cohort and one-half will graduate from high school and enroll in a public or independent institution of higher education in the State, and if all of these students are eligible for the Tuition Aid Grant (TAG) Program and receive the average award ($5,596 in the 2014-2015 academic year), the cumulative award amount would total $5.3 million, or almost 1.5 percent of the FY 2015 appropriation for the program ($355.7 million). In each of the three subsequent years, the number of newly-eligible undocumented students eligible for a TAG award should increase but by less than the initial cohort in the 2014-2015 academic year. It should be noted that due to language in the FY 2015 appropriations act, TAG award amounts were based on the amounts set in the prior year which reflected a two-year and four-year lag between the amount of the TAG award and the maximum award. Because the State is not fully funding the TAG awards in accordance with the statute, an amount more than the estimated $5.2 million may be needed to
fund TAG awards under this bill. That amount cannot be calculated as the total State appropriation needed to fully fund TAG under the statute is unknown.

The impact on the Educational Opportunity Fund, the New Jersey Student Tuition Assistance Reward Scholarship Program, and other State grant and scholarship programs should be negligible.

The OLS notes that funding for the State financial aid programs is contingent upon the annual appropriations act. For example, if State appropriations remain level, an increase in the number of students eligible for State financial aid programs under this bill would mean that the amount of financial aid awarded to each student would be reduced.

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Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).