

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 699
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 9, 2018

SUMMARY

- Synopsis:** Allows certain students including undocumented immigrants who meet certain criteria to qualify for State student financial aid programs.
- Type of Impact:** Indeterminate Expenditure Increase in General Fund
- Agencies Affected:** Higher Education Student Assistance Authority; Office of the Secretary of Higher Education

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	Indeterminate Expenditure Increase		

- The Office of Legislative Services (OLS) notes that this bill may result in an indeterminate increase in State expenditures. The magnitude of the increase would be determined by the form and amount of State student financial aid for which students would now be eligible and the extent to which this availability causes additional students to enroll in institutions of higher education.
- The OLS notes that the Higher Education Student Assistance Authority (HESAA) determines Tuition Aid Grant (TAG) amounts in part on the amount appropriated. In the 2017-2018 academic year, the average TAG award for a student attending a four-year institution of higher education was approximately \$7,451. Based on the assumptions discussed below, the OLS estimates that an additional appropriation of \$4.47 million would be necessary in order to provide TAG awards to the newly-eligible students while maintaining the same average award amount.

BILL DESCRIPTION

Senate Bill No. 699 of 2018 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 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.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that this bill may lead to an increase in State expenditures by: 1) increasing the number of students who are currently enrolled in an institution of higher education who are eligible to receive State student assistance; and 2) increasing the number of individuals who elect to enroll in an institution of higher education by reducing the out-of-pocket cost of attendance. While the OLS does not have sufficient information to determine the amount of financial assistance for which students would become eligible, existing data suggest that the fiscal impact would be small relative to current appropriations.

The TAG program provides the most significant form of student assistance. The FY 2018 budget appropriated \$425.9 million for this purpose, providing an average grant award of \$7,451 per recipient who attends a four-year institution of higher education. According to a recent report, as of fall 2015, there were nearly 600 students who qualified for in-State tuition at a four-year institution pursuant to P.L.2013, c.170. Given that this bill would impact the same group of individuals, one may reasonably assume that the same number of individuals would be affected. Based on this assumption, an additional \$4.47 million would be needed in order to maintain the same average award, an increase of approximately one percent relative to the amount appropriated in FY 2018. The additional cost would increase to the extent that the access to the State's student assistance programs would encourage additional individuals to enroll in an institution of higher education.

The OLS further notes that the additional cost of other State student assistance programs under the bill would be minimal for two reasons. First, these programs provide significantly less support to individuals than TAG. Second, several of the other programs include other eligibility criteria that would diminish the number of individuals who would receive the benefit as a result of this bill.

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Section: Education

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