

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3946

STATE OF NEW JERSEY

DATED: MAY 4, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3946.

This bill addresses certain issues related to State financial aid programs that have arisen due to the COVID-19 pandemic. The bill provides that the Higher Education Student Assistance Authority (HESAA) will exclude the spring 2020 semester from a student's total lifetime eligibility limits for all State financial aid programs, if the student was unable to complete the semester due to the public health state of emergency declared by Governor Murphy through Executive Order 103. The bill also provides that if a student withdraws or reduces his credits to below full-time, or in the case of a part-time State tuition aid grant (TAG) reduces his credits below half-time, due to the public health state of emergency and the institution has already disbursed the student's State financial aid, the authority will waive the State financial aid amounts that a student would be required to return under existing law.

The bill also makes changes to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) Program and the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program. The bill provides that a student enrolled in a county college in the 2019-2020 academic year will remain eligible for the NJ STARS scholarship in the third semester of county college enrollment. In order to remain eligible for the scholarship in the fourth and fifth semesters of county college enrollment, a student who was enrolled in the 2019-2020 academic year must attain a grade point average (GPA) of at least 3.0 by the start of the student's fourth semester of county college enrollment. Under current law, after the first year of enrollment at the county college, the student continues to be eligible for the NJ STARS scholarship if he attains a GPA of at least 3.0 by the start of the student's second year of county college enrollment.

The bill provides that a student enrolled in a county college in the 2019-2020 academic year must attain a cumulative GPA of at least 3.0 upon graduation from the county college to be eligible for an NJ STARS II scholarship for the student's third academic year of study. Current law requires a student to attain a cumulative GPA of at least 3.25 upon graduation from the county college to receive the NJ STARS II scholarship for his third academic year of study.

In addition, the bill provides that a student enrolled in a four-year institution of higher education in the 2019-2020 academic year will remain eligible for the NJ STARS II scholarship in his third semester of study at the four-year institution. In order to remain eligible for a scholarship in the fourth semester of study, a student who was enrolled in the 2019-2020 academic year must attain a grade point average of at least a 3.25 based on the student's performance during the first three semesters of study at the four-year institution. Current law provides that a student will be eligible to receive an NJSTARS II scholarship for his fourth academic year of study if, based on his performance during the third academic year of study, he attains a GPA of at least 3.25. All eligibility requirements for receipt of the NJ STARS and NJ STARS II scholarships, other than those altered pursuant to the provisions of the bill, will remain in effect.

As reported by the committee, Assembly Bill No. 3946 is identical to Senate Bill No. 2356, which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate increase in State expenditures due to: 1) the provision of the bill which excludes the spring 2020 semester from a student's total lifetime eligibility limits for all State financial aid programs, if the student was unable to complete the semester due to the coronavirus disease 2019 (COVID-19); and 2) the provisions of the bill which relax the GPA requirements under the NJ STARS and NJ STARS II programs.

The bill would also result in HESAA not collecting State financial aid refunds from students, who under current law, would otherwise have had to return financial aid because they reduced their academic course load to below the full-time or below half-time in the case of part-time TAG recipients.