

CHAPTER 223

AN ACT concerning institutional financial aid and supplementing chapter 62 of Title 18A of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.18A:62-65 Definitions relative to institutional financial aid.

1. As used in this act:

“Cost of attendance” means cost of attendance as defined pursuant to 20 U.S.C. s.1087ll.

“Expected family contribution” means expected family contribution as determined pursuant to 20 U.S.C. s.1087nn.

“Financial need” means cost of attendance minus expected family contribution.

“Institutional financial aid” means need-based and merit-based grants, scholarships, tuition waivers, and all other forms of financial assistance provided by a public institution of higher education that are not loans or work-study programs.

“Private scholarships” means scholarships awarded by businesses, private foundations, nonprofit organizations, and service groups. Private scholarships shall not include awards funded by a private organization which is affiliated with a public institution of higher education and requests the institution’s assistance in selecting the recipients of scholarships.

C.18A:62-66 Reduction of student’s institutional financial aid; reasons.

2. a. A public institution of higher education may reduce a student’s institutional financial aid as a result of the awarding of private scholarships to the student only under the circumstances enumerated in subsections b. and c. of this section.

b. If a student’s total financial aid from all sources exceeds the student’s financial need, a public institution of higher education may reduce the student’s institutional financial aid until the student’s total financial aid no longer exceeds the student’s financial need.

c. In addition to the reduction authorized pursuant to subsection b. of this section, a public institution of higher education may reduce a student’s institutional financial aid if the institution receives approval from the organization that awarded the private scholarship that caused the reduction authorized pursuant to subsection b. of this section.

d. A public institution of higher education may reduce a student athlete’s institutional financial aid in order to comply with the individual or team financial aid restrictions of any athletic association, conference, or other group or organization with authority over intercollegiate athletics including, but not limited to, the National Collegiate Athletic Association.

3. This act shall take effect immediately and shall first apply to the first full academic year following the date of enactment.

Approved September 24, 2021.