

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 3897

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JUNE 27, 2023

#### SUMMARY

- Synopsis:** Authorizes Higher Education Student Assistance Authority to award summer tuition aid grants in summer 2024.
- Type of Impact:** State expenditure increase from the General Fund.
- Agencies Affected:** Higher Education Student Assistance Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>FY 2025</u></b>
<b>State Cost Increase</b>	\$26.9 million - \$35.8 million

- The Office of Legislative Services (OLS) estimates that this bill will lead to a one-time State expenditure increase between \$26.9 million and \$35.8 million in FY 2025 associated with providing tuition aid grants for coursework completed in summer 2024.

#### BILL DESCRIPTION

The bill authorizes the Higher Education Student Assistance Authority to award summer tuition aid grants for eligible students in the summer 2024 semester.

Under current law, a student may be eligible for a summer tuition aid grant in the summer 2023 semester only, provided that: the student is enrolled in six or more credit hours in the summer term; the courses for which the summer tuition aid grant is to be applied are in the same undergraduate program at the same institution in which the student was last enrolled during the fall or spring semester of the preceding academic year; and the courses for which the summer tuition aid grant is to be applied may be credited towards the student's graduation or academic major requirements.

The bill amends current law to extend summer tuition aid grants to the summer 2024 semester. The bill also stipulates that summer 2024 grants are to be funded by any amounts as may be required from the unexpended balance of funds previously awarded for tuition aid grants. Finally,

the bill permits the Legislature to appropriate additional funds for the summer 2024 grants by a separate line item.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

No fiscal note has been submitted on this bill. However, the Tuition Aid Grant Study Commission, established by P.L.2019, c.298, recommended in its October 2022 Final Report expanding the Tuition Aid Grant program to provide awards to students enrolled in the summer terms. In the report, the Task Force estimated doing so would cost between \$29 million and \$39 million.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that this bill will lead to a one-time State expenditure increase between \$26.9 million and \$35.8 million in FY 2025 associated with providing tuition aid grants for coursework completed in summer 2024. Revised evaluation data included in the Governor's FY 2024 Detailed Budget indicates that 62,128 students received full-time tuition aid grants in the 2022-2023 academic year. Based on a comparison to federal Pell Grant participation, the OLS assumes that approximately 15 percent of full-time tuition aid grant recipients would also receive summer grants, which yields approximately 9,319 recipients of summer tuition aid grants. The average full-time semester tuition aid grant awarded for coursework during the academic year is \$3,846. Assuming that every eligible student enrolled in the summer attends full-time, the total cost to the State would be approximately \$35.8 million. However, it is likely that not every student would enroll full-time in summer coursework. To account for students attending part-time and full-time, the OLS assumes that the average student would enroll in between nine and 11 credits, or 75 percent of a full-time course load. Under these assumptions, the cost to the State of providing summer tuition aid grants would be \$26.9 million.

The OLS notes that, using a similar methodology, the Tuition Aid Grant Study Commission estimated that there would be a cost of between \$29 and \$39 million to provide tuition aid grants for coursework completed in the summer term.

The OLS estimate for this bill is the same as the estimate previously issued this year for legislation extending the provision of tuition aid grants for coursework completed in summer 2023. This legislation was enacted as P.L.2023, c.34.

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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