

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3724

STATE OF NEW JERSEY

DATED: MARCH 23, 2023

The Assembly Appropriations Committee reports favorably Senate Bill No. 3724 (1R).

This bill authorizes the Higher Education Student Assistance Authority to award State-funded summer tuition aid grants for eligible students in the summer 2023 semester only, and makes an appropriation. The bill provides that a student's receipt of a summer tuition aid grant is not to: (1) reduce the amount of a tuition aid grant awarded to the student during the academic year; (2) be included when determining the student's maximum tuition aid grant awards; or (3) otherwise adversely affect the student's eligibility for other State student financial awards.

The bill requires the eligibility criteria for summer tuition aid grants to conform to the eligibility requirements for tuition aid grants provided for study during the academic year, and also requires 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 enrolled during the fall and spring semesters 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 amended bill further provides that a summer tuition aid grant is to be prorated against the full-time tuition aid grant awarded in the preceding semester as follows: an eligible student enrolled with six to eight credits will receive one-half of the value of a full-time award, and an eligible student enrolled with nine to 11 credits will receive three-quarters of a full-time award.

Finally, the amended bill provides that summer tuition aid grants are to be funded by the bill's appropriation and any additional amounts as may be required from the unexpended balance of funds previously awarded for tuition aid grants. The bill further permits the Legislature to award additional funds for the summer tuition aid grants by a separate line item.

As reported by the committee, Senate Bill No. 3724 (1R) is identical to Assembly Bill No. 4924, which was amended and reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill may lead to an increase in State expenditures of as much as \$11.3 million, but it is likely that the unexpended amounts appropriated for the Tuition Aid Grant program will be sufficient to provide tuition aid grants for coursework completed in summer 2023.

The OLS estimates that the overall cost of providing summer grants would be between \$26.9 million and \$35.8 million, based on the number of students receiving grants for the academic year, and assuming that 15 percent of those students enroll in summer coursework. However, the bill provides that the Higher Education Student Assistance Authority may use funds from the unexpended balance of the funds appropriated for tuition aid grants. According to information in the State accounting system, there is currently \$24.5 million unexpended and unencumbered for the Tuition Aid Grant program. However, based on the amount available at the beginning of FY 2023 and assuming that grants are provided in approximately the same amounts as in FY 2022, the OLS estimates that there may be as much as \$42.2 million unexpended at the end of FY 2023 that would be available to implement the provisions of this bill. Using this information, the OLS estimates that this bill may lead to an increase in State expenditures of as much as \$11.3 million, but it is likely that the unexpended amounts appropriated for the Tuition Aid Grant program will be sufficient to provide summer grants under the bill. The bill also makes a \$1,000 appropriation to provide summer tuition aid grants.