LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4432

STATE OF NEW JERSEY
221st LEGISLATURE

DATED: DECEMBER 16, 2025

SUMMARY

Synopsis: Establishes Air Traffic Controller Loan Redemption Program; supports partnership between public institution of higher education and federal Air Traffic-Collegiate Training Initiative and establishment of Center for Study of Unidentified Aerial Phenomena; appropriates $3.5 million.

Type of Impact: State expenditure increase from the General Fund. State revenue increase to certain institutions of higher education.

Agencies Affected: Higher Education Student Assistance Authority. Office of the Secretary of Higher Education. Certain Institutions of Higher Education.

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2 and Thereafter
State Cost Increase	Up to $3.5 million	Indeterminate
Revenue Increase for Certain Institutions of Higher Education	Up to $2.5 million	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill will result in a cost increase of up to $3.5 million in the first year of implementation due to the bill's appropriation of $1.0 million for the Air Traffic Controller Loan Redemption Program and $2.5 million for an aviation grants program in the Office of the Secretary of Higher Education. If the full $3.5 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $3.5 million is exhausted.

- According to information from the Federal Aviation Administration, there are three public institutions of higher education in New Jersey meeting the eligibility criteria for aviation grants established by the bill, namely: Atlantic Cape Community College; Warren Community College; and Kean University.

BILL DESCRIPTION

This bill establishes the Air Traffic Controller Loan Redemption Program in the Higher Education Student Assistance Authority and a program in the Office of the Secretary of Higher Education to provide grants to a public institution of higher education for certain aviation and aircraft control related initiatives.

The bill establishes in the Higher Education Student Assistance Authority the Air Traffic Controller Loan Redemption Program. The bill provides a $1.0 million appropriation for the loan redemption program, of which no more than five percent may be used by the authority for administrative costs. The program is to provide for the redemption of a portion of the qualifying student loan amounts, up to a total of $100,000, of a program participant for each period of service at an approved site, which is defined as an airport located within the State or operated by a multi-state agency serving the State. Under the program, the redemption of qualifying student loan amounts is to amount to 16 percent of the program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to $16,000; an additional 26 percent for a second full year of service, up to $26,000; an additional 28 percent for a third full year of service, up to $28,000; and an additional 30 percent for a fourth full year of service, up to $30,000.

The bill also establishes a program in the Office of the Secretary of Higher Education to provide grants to a public institution of higher education to: support an institution of higher education's participation in the federal Unmanned Aircraft Systems Collegiate Training Initiative; support the establishment of a Center for the Study of Unidentified Aerial Phenomena; facilitate the establishment of non-engineering aviation degrees that include instruction in air traffic control and aviation administration; and encourage an institution of higher education to join the Federal Aviation Administration's Air Traffic-Collegiate Training Initiatives Program. The bill provides a $2.5 million appropriation for the grant program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will result in a cost increase of up to $3.5 million in the first year of implementation due to the bill's appropriation of $1.0 million for the Air Traffic Controller Loan Redemption Program and $2.5 million for an aviation grants program in the Office of the Secretary of Higher Education. If the full $3.5 million is not expended in the first year, the residual amount will be spent in subsequent fiscal years until the full $3.5 million is exhausted. The bill's appropriations would be in addition to the $1 million appropriations provided for both of the programs in the FY 2026 Appropriations Act.

The bill appropriates $1.0 million to the Higher Education Student Assistance Authority, of which no more than $50,000 can be used for the administrative costs of the loan redemption program. Assuming each individual selected for participation in the loan redemption program receives the maximum $100,000 allowable loan redemption amount under the program, the size of the first-year cohort that could be accommodated when considering only the bill's appropriation may be between nine and 10 air traffic controllers. When additionally considering the $1.0 million appropriated for the program in the FY 2026 Appropriations Act, the first-year cohort in total may

be between 18 and 20 air traffic controllers. Loan redemption payments for this cohort would be paid from program appropriations over four years in exchange for each year of a program participant's service at an approved site.

While the levels of program participation cannot be predicted, the OLS notes that, according to May 2023 Occupational Employment and Wage Estimates from the United State Bureau of Labor Statistics, there are a total of 190 air traffic controllers in New Jersey.

The bill also appropriates $2.5 million to provide aviation grants to public institutions of higher education which participate in the federal Unmanned Aircraft Systems Collegiate Training Initiative. According to information from the Federal Aviation Administration, as of May 2025, there are three public institutions of higher education that participate in the federal program, namely: Atlantic Cape Community College; Warren Community College; and Kean University. The bill's appropriation would be in addition to the $1.0 million appropriated for the program in the FY 2026 Appropriations Act.

Section:	*Education*
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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.).