

18A:71B-86.1

LEGISLATIVE HISTORY CHECKLIST

Compiled by the NJ State Law Library

LAWS OF: 2005 **CHAPTER:** 359

NJSA: 18A:71B-86.1 (Establishes NJ STARS II Program)

BILL NO: S2905 (Substituted for A4512)

SPONSOR(S): Bryant and others

DATE INTRODUCED: December 5, 2005

COMMITTEE: **ASSEMBLY:**

SENATE: Budget and Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** January 9, 2006

SENATE: December 8, 2005

DATE OF APPROVAL: January 12, 2006

FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) (1st reprint enacted)

S2905

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

FLOOR AMENDMENT STATEMENT: No

[LEGISLATIVE FISCAL ESTIMATE:](#) Yes

A4512

[SPONSOR'S STATEMENT:](#) (Begins on page 5 of original bill) Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government

Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

IS 3/6/08

§§1-7
C.18A:71B-86.1
to
18A:71B-86.7
§8
Approp.
§9
Note to §§1-8

P.L. 2005, CHAPTER 359, *approved January 12, 2006*
Senate, No. 2905 (*First Reprint*)

1 **AN ACT** establishing the NJ STARS II Program, supplementing
2 chapter 71B of Title 18A of the New Jersey Statutes, and making
3 an appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. This act shall be known and may be cited as the "New Jersey
9 Student Tuition Assistance Reward Scholarship II (NJ STARS II)
10 Program Act."

11
12 2. As used in this act:

13 "Authority" means the Higher Education Student Assistance
14 Authority established pursuant to N.J.S.18A:71A-3.

15 "Full-time course of study" in any semester means a course of study
16 that includes at least 12 credit hours, not including any credit hours in
17 a remedial or developmental curriculum, and leads to a degree from a
18 New Jersey four-year public ¹[or independent]¹ institution of higher
19 education.

20 "Program" means the New Jersey Student Tuition Assistance
21 Reward Scholarship II (NJ STARS II) Program.

22
23 3. There is hereby created the New Jersey Student Tuition
24 Assistance Reward Scholarship II (NJ STARS II) Program. It shall be
25 the duty of the Higher Education Student Assistance Authority to
26 administer the program.

27
28 4. a. For an eligible student enrolled in a full-time course of study
29 at a New Jersey four-year public ¹[or independent]¹ institution of
30 higher education, a scholarship under the NJ STARS II Program shall
31 be paid to the institution in the amount of \$2,000 for each semester of
32 enrollment ¹commencing in the 2006-2007 academic year. For each
33 academic year thereafter, the amount of the scholarship shall be
34 increased by one-half of the average percentage increase over the prior

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted December 5, 2005.

1 academic year in undergraduate tuition and fees for all four-year public
2 institutions of higher education and shall be paid to the institution for
3 each semester of enrollment in that academic year; except that the
4 amount of the scholarship shall not exceed \$2,500 per semester¹. The
5 scholarship amount awarded shall be in addition to any other State and
6 federal need-based grants and merit scholarships to which the student
7 is entitled. The four-year public ¹[or independent]¹ institution of
8 higher education shall waive ¹or provide an institutional scholarship
9 for¹ any tuition and fee amount for the student, for up to 18 credits,
10 that exceeds the sum of the NJ STARS II scholarship and any other
11 State and federal grants and scholarships to which the student is
12 entitled. The institution shall not be required to waive ¹or provide an
13 institutional scholarship for¹ tuition and fees for credits in excess of 18
14 credit hours in any single semester.

15 b. A student shall be eligible for a scholarship under the NJ STARS
16 II Program for up to four semesters, excluding summer sessions, at a
17 New Jersey four-year public ¹[or independent]¹ institution of higher
18 education.

19 c. A student shall be eligible to receive a scholarship under the NJ
20 STARS II Program for the student's third academic year of study if the
21 student: attained an associate's degree from a New Jersey county
22 college; received a scholarship under the "New Jersey Student Tuition
23 Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004,
24 c.59 (C.18A:71B-81 et seq.)¹,¹ or was eligible for but did not receive
25 a scholarship under NJ STARS because the student's tuition and fees
26 were fully covered by other State or federal need-based grants or merit
27 scholarships, for each semester of study in the county college; attains
28 a grade point average of at least 3.0 for the second academic year of
29 study in the county college; enrolls in a baccalaureate degree program
30 at a New Jersey four-year public ¹[or independent]¹ institution of
31 higher education for the third academic year of study in the academic
32 year immediately following the student's attainment of an associate's
33 degree; and meets the criteria set forth in subsection e. of this section.
34 A grade for credits earned during a summer semester shall for the
35 purposes of this subsection be included in the calculation of the grade
36 point average for the preceding academic year.

37 d. A student shall be eligible to receive a scholarship under the NJ
38 STARS II Program for the student's fourth academic year of study if
39 the student: received a scholarship under the NJ STARS II Program
40 for the student's third academic year of study pursuant to subsection
41 c. of this section; based on the student's performance during the third
42 academic year of study, attained a grade point average of at least 3.0;
43 and meets the criteria set forth in subsection e. of this section. A
44 grade for credits earned during a summer semester shall for the
45 purposes of this subsection be included in the calculation of the grade
46 point average for the preceding academic year.

- 1 e. To be eligible to receive a scholarship under the NJ STARS II
2 Program, a student shall:
- 3 (1) be a State resident pursuant to guidelines established by the
4 authority;
- 5 (2) have applied for all other available forms of State and federal
6 need-based grants and merit scholarships, exclusive of loans, the full
7 amount of which grants and scholarships shall be applied to tuition and
8 fee charges;
- 9 (3) be enrolled in a full-time course of study at a four-year public
10 ¹[or independent]¹ institution of higher education; and
- 11 (4) maintain continuous enrollment in a full-time course of study,
12 unless on medical leave due to the illness of the student or a member
13 of the student's immediate family or emergency leave because of a
14 family emergency, which medical or emergency leave shall have been
15 approved by the four-year public ¹[or independent]¹ institution of
16 higher education.
- 17 f. A student who is dismissed for academic or disciplinary reasons
18 from a four-year public ¹[or independent]¹ institution of higher
19 education shall no longer be eligible for a scholarship under this act.
20 If a student participating in the program is dismissed for disciplinary
21 reasons, the student shall repay in full all amounts received under the
22 program. The four-year public ¹[or independent]¹ institution of
23 higher education shall be responsible for collecting the repayment, or
24 the amount of any overpayment or other improper payment, of any
25 State awards under the program, in accordance with the provisions of
26 N.J.S.18A:71B-10.
- 27 g. A student scholarship under the NJ STARS II Program may be
28 renewed upon the student's filing of a renewal financial aid application
29 and providing evidence that the student has satisfied the requirements
30 pursuant to this section.
- 31
- 32 5. A four-year public ¹[or independent]¹ institution of higher
33 education shall accept all academic credits awarded by a county
34 college to an NJ STARS student who subsequently enrolls in the four-
35 year institution and is participating in the NJ STARS II Program at the
36 institution.
- 37
- 38 6. a. Not later than September 30, 2008, the authority shall
39 prepare and submit to the Legislature and the Governor a report on
40 the implementation of the NJ STARS II Program at the four-year
41 public ¹[and independent]¹ institutions of higher education. The
42 report shall, for each institution, set forth statistics on and include an
43 analysis of student participation in the program at the institution, the
44 amounts of funding provided under the program to students enrolled
45 at the institution, the amounts of funding made available to those
46 participating students from State sources other than the NJ STARS II

1 Program and from federal and institutional sources, and such other
2 factors as the authority deems to be necessary or useful to the
3 evaluation of the program. The report shall set forth the number of
4 students participating in the program Statewide, including such
5 statistical and demographic information as may be relevant and
6 appropriate. ¹[The report shall also set forth recommendations for
7 adjustments, if any, to the scholarship amount based on such factors
8 as an increase in the cost of living]¹.

9 b. The authority shall administer the provisions of this act and shall
10 establish appropriate criteria, procedures, and guidelines for awarding
11 New Jersey Student Tuition Assistance Reward II Scholarships to
12 eligible students in accordance with the provisions of this act. The
13 authority shall adopt in accordance with the "Administrative Procedure
14 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as
15 may be necessary to implement the provisions of this act.

16
17 7. Nothing in this act shall be construed to require a four-year
18 public ¹[or independent]¹ institution of higher education to admit a
19 student eligible for a scholarship under this act or to waive its
20 admission standards and application procedures.

21
22 8. There is appropriated \$1,000,000 from the General Fund to the
23 Higher Education Student Assistance Authority for the costs of the
24 authority associated with the administration of tuition assistance
25 programs.

26
27 9. This act shall take effect on June 30, 2006.
28
29
30

31
32 _____
33 Establishes NJ STARS II Program for NJ STARS scholars who
34 advance to a New Jersey four-year public institution of higher
35 education; appropriates \$1,000,000 to Higher Education Student
Assistance Authority.

SENATE, No. 2905

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED DECEMBER 5, 2005

Sponsored by:

Senator WAYNE R. BRYANT

District 5 (Camden and Gloucester)

Senator RICHARD J. CODEY

District 27 (Essex)

Co-Sponsored by:

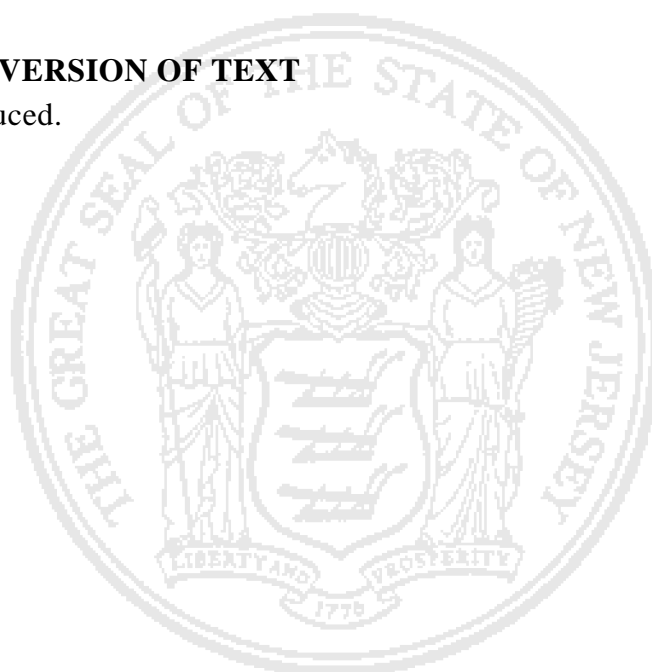
Senator Turner

SYNOPSIS

Establishes NJ STARS II Program for NJ STARS scholars who advance to a New Jersey four-year public or independent institution of higher education; appropriates \$1,000,000 to Higher Education Student Assistance Authority.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/6/2005)

S2905 BRYANT, CODEY

2

1 AN ACT establishing the NJ STARS II Program, supplementing
2 chapter 71B of Title 18A of the New Jersey Statutes, and making
3 an appropriation.

4

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

7

8 1. This act shall be known and may be cited as the "New Jersey
9 Student Tuition Assistance Reward Scholarship II (NJ STARS II)
10 Program Act."

11

12 2. As used in this act:

13 "Authority" means the Higher Education Student Assistance
14 Authority established pursuant to N.J.S.18A:71A-3.

15 "Full-time course of study" in any semester means a course of study
16 that includes at least 12 credit hours, not including any credit hours in
17 a remedial or developmental curriculum, and leads to a degree from a
18 New Jersey four-year public or independent institution of higher
19 education.

20 "Program" means the New Jersey Student Tuition Assistance
21 Reward Scholarship II (NJ STARS II) Program.

22

23 3. There is hereby created the New Jersey Student Tuition
24 Assistance Reward Scholarship II (NJ STARS II) Program. It shall be
25 the duty of the Higher Education Student Assistance Authority to
26 administer the program.

27

28 4. a. For an eligible student enrolled in a full-time course of study
29 at a New Jersey four-year public or independent institution of higher
30 education, a scholarship under the NJ STARS II Program shall be paid
31 to the institution in the amount of \$2,000 for each semester of
32 enrollment. The scholarship amount awarded shall be in addition to
33 any other State and federal need-based grants and merit scholarships
34 to which the student is entitled. The four-year public or independent
35 institution of higher education shall waive any tuition and fee amount
36 for the student, for up to 18 credits, that exceeds the sum of the NJ
37 STARS II scholarship and any other State and federal grants and
38 scholarships to which the student is entitled. The institution shall not
39 be required to waive tuition and fees for credits in excess of 18 credit
40 hours in any single semester.

41 b. A student shall be eligible for a scholarship under the NJ STARS
42 II Program for up to four semesters, excluding summer sessions, at a
43 New Jersey four-year public or independent institution of higher
44 education.

45 c. A student shall be eligible to receive a scholarship under the NJ

1 STARS II Program for the student's third academic year of study if the
2 student: attained an associate's degree from a New Jersey county
3 college; received a scholarship under the "New Jersey Student Tuition
4 Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004,
5 c.59 (C.18A:71B-81 et seq.) or was eligible for but did not receive a
6 scholarship under NJ STARS because the student's tuition and fees
7 were fully covered by other State or federal need-based grants or merit
8 scholarships, for each semester of study in the county college; attains
9 a grade point average of at least 3.0 for the second academic year of
10 study in the county college; enrolls in a baccalaureate degree program
11 at a New Jersey four-year public or independent institution of higher
12 education for the third academic year of study in the academic year
13 immediately following the student's attainment of an associate's
14 degree; and meets the criteria set forth in subsection e. of this section.
15 A grade for credits earned during a summer semester shall for the
16 purposes of this subsection be included in the calculation of the grade
17 point average for the preceding academic year.

18 d. A student shall be eligible to receive a scholarship under the NJ
19 STARS II Program for the student's fourth academic year of study if
20 the student: received a scholarship under the NJ STARS II Program
21 for the student's third academic year of study pursuant to subsection
22 c. of this section; based on the student's performance during the third
23 academic year of study, attained a grade point average of at least 3.0;
24 and meets the criteria set forth in subsection e. of this section. A
25 grade for credits earned during a summer semester shall for the
26 purposes of this subsection be included in the calculation of the grade
27 point average for the preceding academic year.

28 e. To be eligible to receive a scholarship under the NJ STARS II
29 Program, a student shall:

30 (1) be a State resident pursuant to guidelines established by the
31 authority;

32 (2) have applied for all other available forms of State and federal
33 need-based grants and merit scholarships, exclusive of loans, the full
34 amount of which grants and scholarships shall be applied to tuition and
35 fee charges;

36 (3) be enrolled in a full-time course of study at a four-year public
37 or independent institution of higher education; and

38 (4) maintain continuous enrollment in a full-time course of study,
39 unless on medical leave due to the illness of the student or a member
40 of the student's immediate family or emergency leave because of a
41 family emergency, which medical or emergency leave shall have been
42 approved by the four-year public or independent institution of higher
43 education.

44 f. A student who is dismissed for academic or disciplinary reasons
45 from a four-year public or independent institution of higher education
46 shall no longer be eligible for a scholarship under this act. If a student

S2905 BRYANT, CODEY

1 participating in the program is dismissed for disciplinary reasons, the
2 student shall repay in full all amounts received under the program.
3 The four-year public or independent institution of higher education
4 shall be responsible for collecting the repayment, or the amount of any
5 overpayment or other improper payment, of any State awards under
6 the program, in accordance with the provisions of N.J.S.18A:71B-10.

7 g. A student scholarship under the NJ STARS II Program may be
8 renewed upon the student's filing of a renewal financial aid application
9 and providing evidence that the student has satisfied the requirements
10 pursuant to this section.

11

12 5. A four-year public or independent institution of higher education
13 shall accept all academic credits awarded by a county college to an NJ
14 STARS student who subsequently enrolls in the four-year institution
15 and is participating in the NJ STARS II Program at the institution.

16

17 6. a. Not later than September 30, 2008, the authority shall
18 prepare and submit to the Legislature and the Governor a report on
19 the implementation of the NJ STARS II Program at the four-year
20 public and independent institutions of higher education. The report
21 shall, for each institution, set forth statistics on and include an analysis
22 of student participation in the program at the institution, the amounts
23 of funding provided under the program to students enrolled at the
24 institution, the amounts of funding made available to those
25 participating students from State sources other than the NJ STARS II
26 Program and from federal and institutional sources, and such other
27 factors as the authority deems to be necessary or useful to the
28 evaluation of the program. The report shall set forth the number of
29 students participating in the program Statewide, including such
30 statistical and demographic information as may be relevant and
31 appropriate. The report shall also set forth recommendations for
32 adjustments, if any, to the scholarship amount based on such factors
33 as an increase in the cost of living.

34 b. The authority shall administer the provisions of this act and
35 shall establish appropriate criteria, procedures, and guidelines for
36 awarding New Jersey Student Tuition Assistance Reward II
37 Scholarships to eligible students in accordance with the provisions of
38 this act. The authority shall adopt in accordance with the
39 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
40 seq.), rules and regulations as may be necessary to implement the
41 provisions of this act.

42

43 7. Nothing in this act shall be construed to require a four-year
44 public or independent institution of higher education to admit a
45 student eligible for a scholarship under this act or to waive its
46 admission standards and application procedures.

1 8. There is appropriated \$1,000,000 from the General Fund to the
2 Higher Education Student Assistance Authority for the costs of the
3 authority associated with the administration of tuition assistance
4 programs.

5
6 9. This act shall take effect on June 30, 2006.
7
8

9 STATEMENT
10

11 This bill establishes the New Jersey Student Tuition Assistance
12 Reward Scholarship II (NJ STARS II) Program. The program would
13 offer scholarships to NJ STARS scholars who attain an associate's
14 degree and are admitted to a four-year public or independent
15 institution of higher education.

16 For an eligible student enrolled in a full-time course of study at a
17 New Jersey four-year public or independent institution of higher
18 education, a scholarship under the NJ STARS II Program would be
19 paid to the institution in the amount of \$2,000 for each semester of
20 enrollment. The scholarship amount awarded would be in addition to
21 any other State and federal need-based grants and merit scholarships
22 to which the student is entitled. The institution would waive any
23 tuition and fee amount for the student, for up to 18 credits per
24 semester, that exceeded the sum of the NJ STARS II scholarship and
25 any other State and federal grants and scholarships to which the
26 student is entitled. Provided that the student maintains eligibility for
27 participation, the scholarship would be available for up to four
28 semesters.

29 Under the bill's provisions, the student's county college credits
30 would be fully transferable to the four-year institution. Thus, an NJ
31 STARS scholar, who over the two years of county college study
32 earned the number of credits which if earned at the four-year
33 institution would have conferred junior status, would matriculate at
34 the four-year institution as a junior.

35 To be eligible to participate in the program, a student must:

36 (1) be a State resident pursuant to guidelines established by the
37 authority;

38 (2) have applied for all other available forms of State and federal
39 need-based grants and merit scholarships, exclusive of loans, the full
40 amount of which grants and scholarships would be applied to tuition
41 and fee charges;

42 (3) be enrolled in a full-time course of study at a four-year public
43 or independent institution of higher education; and

44 (4) maintain continuous enrollment in a full-time course of study,
45 unless on medical leave due to the illness of the student or a member
46 of the student's immediate family or emergency leave because of a

S2905 BRYANT, CODEY

6

1 family emergency, which medical or emergency leave must have been
2 approved by the four-year public or independent institution of higher
3 education.

4 A student would be eligible to receive a scholarship under the NJ
5 STARS II Program for the student's third academic year of study if the
6 student: has attained an associate's degree from a New Jersey county
7 college; received a scholarship under the "New Jersey Student Tuition
8 Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004,
9 c.59 (C.18A:71B-81 et seq.), or was eligible for but did not receive a
10 scholarship under NJ STARS because the student's tuition and fees
11 were fully covered by other State and federal need-based grants and
12 merit scholarships, for each semester of study in the county college;
13 attained a grade point average of at least 3.0 for the second academic
14 year of study in the county college; and, in the academic year
15 immediately following the student's attainment of an associate's
16 degree, enrolls in a baccalaureate degree program at a New Jersey
17 four-year public or independent institution of higher education for the
18 third academic year of study. A student would be eligible to receive
19 a scholarship under the NJ STARS II Program for the student's fourth
20 academic year of study if the student: received a scholarship under the
21 NJ STARS II Program for the student's third academic year of study;
22 and attained a grade point average of at least 3.0 based on the
23 student's performance during that third academic year.

24 The bill appropriates \$1,000,000 to the Higher Education Student
25 Assistance Authority for the costs of the authority associated with the
26 administration of tuition assistance programs.

27 This expansion of the program is an incentive for high-achieving
28 New Jersey students to continue their education, and the development
29 of their professional roots, in their home State.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2905

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 5, 2005

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2905, with committee amendments.

This bill establishes the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program. The program would offer scholarships to NJ STARS scholars who attain an associate's degree and are admitted to a four-year public institution of higher education.

For an eligible student enrolled in a full-time course of study at a New Jersey four-year public institution of higher education, a scholarship under the NJ STARS II Program would be paid to the institution in the amount of \$2,000 for each semester of enrollment commencing in the 2006-2007 academic year. For each academic year thereafter, the amount of the scholarship will be increased by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education, except that the amount of the scholarship shall not exceed \$2,500 per semester.

The scholarship amount awarded would be in addition to any other State and federal need-based grants and merit scholarships to which the student is entitled. The institution would waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeded the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. Provided that the student maintains eligibility for participation, the scholarship would be available for up to four semesters.

Under the bill's provisions, the student's county college credits would be fully transferable to the four-year institution. Thus, an NJ STARS scholar, who over the two years of county college study earned the number of credits which if earned at the four-year institution would have conferred junior status, would matriculate at the four-year institution as a junior.

To be eligible to participate in the program, a student must:

(1) be a State resident pursuant to guidelines established by the authority;

(2) have applied for all other available forms of State and federal need-based grants and merit scholarships, exclusive of loans, the full amount of which grants and scholarships would be applied to tuition and fee charges;

(3) be enrolled in at a four-year public institution of higher education; and

(4) maintain continuous enrollment in a full-time course of study, unless on medical leave due to the illness of the student or a member of the student's immediate family or emergency leave because of a family emergency, which medical or emergency leave must have been approved by the four-year public institution of higher education.

A student would be eligible to receive a scholarship under the NJ STARS II Program for the student's third academic year of study if the student: has attained an associate's degree from a New Jersey county college; received a scholarship under the "New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004, c.59 (C.18A:71B-81 et seq.), or was eligible for but did not receive a scholarship under NJ STARS because the student's tuition and fees were fully covered by other State and federal need-based grants and merit scholarships, for each semester of study in the county college; attained a grade point average of at least 3.0 for the second academic year of study in the county college; and, in the academic year immediately following the student's attainment of an associate's degree, enrolls in a baccalaureate degree program at a New Jersey four-year public institution of higher education for the third academic year of study. A student would be eligible to receive a scholarship under the NJ STARS II Program for the student's fourth academic year of study if the student: received a scholarship under the NJ STARS II Program for the student's third academic year of study; and attained a grade point average of at least 3.0 based on the student's performance during that third academic year.

The bill appropriates \$1,000,000 to the Higher Education Student Assistance Authority (HESAA) for the costs of the authority associated with the administration of tuition assistance programs.

COMMITTEE AMENDMENTS:

The committee amendments remove independent institutions of higher education from the bill. The NJ STARS II Program will only be available at New Jersey four-year public institution of higher education. The committee amendments also allow an institution to choose between waiving the portion of tuition and fees not covered by a student's NJ STARS II scholarship, or providing a student with an institutional scholarship for that amount not covered by the NJ STARS II scholarship. As introduced, the bill did not include the institutional scholarship option. The amendments also provide that the initial year scholarship amount of \$2,000 per semester will be increased annually by half of the average percentage increase in undergraduate tuition and fees for all four-year public institutions of higher education, but will not exceed \$2,500 per semester.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the fiscal impact of this bill will be approximately \$4.1 million (a one-time \$1 million appropriation to HESAA for administrative costs and \$3.1 million to fund the scholarships) in the first year (one cohort) and approximately \$8.2 million in the second year (two cohorts). The bill provides a \$2,000 scholarship each semester to 4-year public institutions for a student who was previously enrolled under the NJSTARS program at a county college. The scholarship will be available for up to four semesters.

The first year estimate of \$3.1 million to fund the scholarships is based on the assumption that all of the second year NJSTARS students with grade point averages of 3.0 or better (3.0+ gpa), currently enrolled in the county colleges, will continue their education at a four year institution in the Fall of 2006. According to information obtained by the OLS from the New Jersey Council on County Colleges, 769 or 66% of first year NJSTARS eligible students (1,157) will continue to be eligible for the 05-06 academic year.

The second year estimate of \$8.2 million is based on several assumptions. First, that like the first cohort of NJSTARS students, of the second cohort (1,744 students), 66% or 1,151 will be retained and be eligible for NJSTARS in their sophomore year. Second, that the majority of these second year NJSTARS students (3.0+ gpa) will continue their education at a 4-year institution and become NJSTARS II students. Third, that the majority of the first cohort of NJSTARS II students (juniors/third year) will continue to maintain a gpa of above 3.0 and thus will continue to be NJSTARS II students during the senior year. Fourth, that the average percentage increase in tuition will equal 10%. The second year estimate also assumes that the majority of NJSTARS and NJSTARS II students will be retained and continue to make progress toward completion of a 4-year degree.

The OLS is not able to determine how much NJSTARS II will cost beyond two years since it is not known what impact the program will have on student enrollment patterns. If due to NJSTARS II, a significant number of students who qualify for NJSTARS but would not have enrolled in a county college prior to NJSTARS and NJSTARS II, enroll in a county college to take advantage of NJSTARS and subsequently NJSTARS II at a four-year college or university, the annual cost of NJSTARS II would increase by between \$4000 and \$5,000 annually for each additional student above 1,920 (769 + 1,151).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2905

STATE OF NEW JERSEY

211th LEGISLATURE

DATED: DECEMBER 27, 2005

SUMMARY

- Synopsis:** Establishes New Jersey Student Tuition Assistance Reward Scholarship II Program for New Jersey Student Tuition Assistance Reward Scholarship scholars who advance to a New Jersey four-year public institution of higher education; appropriates \$1,000,000 to Higher Education Student Assistance Authority.
- Type of Impact:** An expenditure increase from the General Fund.
- Agencies Affected:** New Jersey four-year public institutions of higher education; Higher Education Student Assistance Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$4,076,000	\$8,064,000	Indeterminate

- ! This bill establishes the New Jersey Student Tuition Assistance Reward Scholarship II Program (NJ STARS II) to offer scholarships to NJ STARS scholars who attain an associate degree at a New Jersey county college and are admitted to and enroll in a baccalaureate degree program at a four-year public institution of higher education. A student will be eligible for a scholarship for up to four semesters, excluding summer sessions.
- ! Under the NJ STARS II Program, a scholarship would be paid to the institution for each eligible student in the amount of \$2,000 for each semester of enrollment in the 2006-2007 academic year. For each academic year thereafter, the amount of the scholarship would increase by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education, except that the scholarship amount will not exceed \$2,500 per semester.
- ! The NJ STARS II scholarship would be awarded in addition to any other State and federal need-based grants and merit scholarships to which the student is entitled. The institution would waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeded the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled.

- ! It is estimated that in the 2006-2007 academic year the NJ STARS II Program will cost approximately \$4.1 million; \$3.1 million to fund the scholarships and \$1 million to support administrative costs at HESAA. The estimated program cost for the 2007-2008 academic year is approximately \$8.1 million. It is not possible at this point to estimate the cost for the 2008-2009 and subsequent academic years.

BILL DESCRIPTION

Senate Bill No. 2905 (1R) of 2005 establishes the NJ STARS II Program. The program will offer scholarships to NJ STARS scholars who attain an associate degree at a New Jersey county college and are admitted to and enroll in a baccalaureate degree program at a four-year public institution of higher education.

For an eligible student enrolled in a full-time course of study at a New Jersey four-year public institution of higher education during the 2006-2007 academic year, a scholarship under the NJ STARS II Program would be paid to the institution in the amount of \$2,000 for each semester (Fall and Spring) of enrollment. For each academic year thereafter, the amount of the scholarship would be increased by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education and would be paid to the institution for each semester of enrollment in that academic year; except that the amount of the scholarship would not exceed \$2,500 per semester. The scholarship amount awarded would be in addition to any other State and federal need-based grants and merit scholarships to which the student is entitled. The institution would waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeded the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. Provided that the student maintains eligibility for participation, the scholarship would be available for up to four semesters, excluding summer sessions, at a New Jersey four-year public institution of higher education.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services estimates that the fiscal impact of Senate Bill No. 2905 (1R) will be approximately \$4.1 million in the first year; \$3.1 million to fund the scholarships and a \$1 million appropriation to Higher Education Student Assistance Authority for the administrative costs of administering tuition assistance programs. In the second year, the bill's cost would be approximately \$8.1 million to fund the scholarships. The Office of Legislative Services is not able to determine the cost to support the NJ STARS II Program for the 2008-2009 and subsequent academic years.

According to the New Jersey Council on County Colleges, 769 or 66 percent of first year NJ STARS eligible students (1,157) will continue to be eligible to receive an NJ STARS scholarship for the 2005-2006 academic year. The council has also indicated that a majority of current second-year NJ STARS students

are enrolled in an associate degree program and anticipates that they will be eligible for NJ STARS II if they are admitted to and enroll in a four-year public institution of higher education. The first year estimate of \$3.1 million to fund the scholarships is based on the assumption that each second year NJ STARS student who currently has a grade point average (GPA) of 3.0 or higher will continue his education as a junior at a four-year public institution of higher education in the 2006-2007 academic year.

The second year estimate of \$8.1 million to fund NJ STARS II students during the 2007-2008 academic year is based on several assumptions. First, that like the first cohort of NJ STARS students, 66 percent or 1,151 of the second cohort (1,744 students) will be retained and be eligible for NJ STARS in their sophomore year at a county college. Second, that the majority of these second year NJ STARS students will continue their education at a four-year public institution and become NJ STARS II students. Third, that the majority of the first cohort of NJ STARS II students (juniors/third year) will continue to maintain a GPA above 3.0 and thus will continue to be NJ STARS II students during the senior year. Fourth, that the average percentage increase in tuition and fees between the 2006-2007 and 2007-2008 academic years will equal 10 percent and that consequently the NJ STARS II scholarship would increase by 5 percent to \$2,100 for the 2007-2008 academic year. This 10 percent average increase is based on tuition and fee data for the four-year public sector between the 2001-2002 and 2005-2006 academic years. The second year estimate also assumes that the majority of NJ STARS and NJ STARS II students will be retained and continue to make progress toward completion of a four-year degree.

The Office of Legislative Services is not able to estimate the cost of NJ STARS II for the third and subsequent years due to a lack of knowledge on how the program will impact student enrollment patterns. Assuming a 10 percent average increase in tuition and fees between the 2007-2008 and 2008-2009 academic years, each four-year public institution would receive \$2205 per semester for each NJ STARS II student enrolled during the 2008-2009 academic year. If due to NJ STARS II, a significant number of students who qualify for NJ STARS but would not have enrolled in a county college prior to the establishment of NJ STARS and NJ STARS II, decide to take advantage of NJ STARS and subsequently enroll at a four-year institution of higher education under NJ STARS II, the cost of the program in the 2008-2009 and subsequent academic years would increase. Also, as tuition and fee amounts at four-year public institutions of higher education increase, the scholarship amount paid for each eligible NJ STARS II student enrolled would increase to a maximum of \$2,500 per semester.

Section: *Education*

Analyst: *Osomo A. Thomas*
Senior Fiscal Analyst

Approved: *David J. Rosen*
Legislative Budget and Finance Officer

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 4512

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED DECEMBER 8, 2005

Sponsored by:

Assemblyman ALBIO SIRES

District 33 (Hudson)

Assemblywoman BONNIE WATSON COLEMAN

District 15 (Mercer)

Assemblyman CRAIG A. STANLEY

District 28 (Essex)

SYNOPSIS

Establishes NJ STARS II Program for NJ STARS scholars who advance to a New Jersey four-year public or independent institution of higher education; appropriates \$1,000,000 to Higher Education Student Assistance Authority.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2005)

1 AN ACT establishing the NJ STARS II Program, supplementing
2 chapter 71B of Title 18A of the New Jersey Statutes, and making
3 an appropriation.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. This act shall be known and may be cited as the "New Jersey
9 Student Tuition Assistance Reward Scholarship II (NJ STARS II)
10 Program Act."

11
12 2. As used in this act:

13 "Authority" means the Higher Education Student Assistance
14 Authority established pursuant to N.J.S.18A:71A-3.

15 "Full-time course of study" in any semester means a course of study
16 that includes at least 12 credit hours, not including any credit hours in
17 a remedial or developmental curriculum, and leads to a degree from a
18 New Jersey four-year public or independent institution of higher
19 education.

20 "Program" means the New Jersey Student Tuition Assistance
21 Reward Scholarship II (NJ STARS II) Program.

22
23 3. There is hereby created the New Jersey Student Tuition
24 Assistance Reward Scholarship II (NJ STARS II) Program. It shall be
25 the duty of the Higher Education Student Assistance Authority to
26 administer the program.

27
28 4. a. For an eligible student enrolled in a full-time course of study
29 at a New Jersey four-year public or independent institution of higher
30 education, a scholarship under the NJ STARS II Program shall be paid
31 to the institution in the amount of \$2,000 for each semester of
32 enrollment. The scholarship amount awarded shall be in addition to
33 any other State and federal need-based grants and merit scholarships
34 to which the student is entitled. The four-year public or independent
35 institution of higher education shall waive any tuition and fee amount
36 for the student, for up to 18 credits, that exceeds the sum of the NJ
37 STARS II scholarship and any other State and federal grants and
38 scholarships to which the student is entitled. The institution shall not
39 be required to waive tuition and fees for credits in excess of 18 credit
40 hours in any single semester.

41 b. A student shall be eligible for a scholarship under the NJ STARS
42 II Program for up to four semesters, excluding summer sessions, at a
43 New Jersey four-year public or independent institution of higher
44 education.

45 c. A student shall be eligible to receive a scholarship under the NJ
46 STARS II Program for the student's third academic year of study if the

1 student: attained an associate's degree from a New Jersey county
2 college; received a scholarship under the "New Jersey Student Tuition
3 Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004,
4 c.59 (C.18A:71B-81 et seq.), or was eligible for but did not receive a
5 scholarship under NJ STARS because the student's tuition and fees
6 were fully covered by other State or federal need-based grants or merit
7 scholarships, for each semester of study in the county college; attains
8 a grade point average of at least 3.0 for the second academic year of
9 study in the county college; enrolls in a baccalaureate degree program
10 at a New Jersey four-year public or independent institution of higher
11 education for the third academic year of study in the academic year
12 immediately following the student's attainment of an associate's
13 degree; and meets the criteria set forth in subsection e. of this section.
14 A grade for credits earned during a summer semester shall for the
15 purposes of this subsection be included in the calculation of the grade
16 point average for the preceding academic year.

17 d. A student shall be eligible to receive a scholarship under the NJ
18 STARS II Program for the student's fourth academic year of study if
19 the student: received a scholarship under the NJ STARS II Program
20 for the student's third academic year of study pursuant to subsection
21 c. of this section; based on the student's performance during the third
22 academic year of study, attained a grade point average of at least 3.0;
23 and meets the criteria set forth in subsection e. of this section. A
24 grade for credits earned during a summer semester shall for the
25 purposes of this subsection be included in the calculation of the grade
26 point average for the preceding academic year.

27 e. To be eligible to receive a scholarship under the NJ STARS II
28 Program, a student shall:

29 (1) be a State resident pursuant to guidelines established by the
30 authority;

31 (2) have applied for all other available forms of State and federal
32 need-based grants and merit scholarships, exclusive of loans, the full
33 amount of which grants and scholarships shall be applied to tuition and
34 fee charges;

35 (3) be enrolled in a full-time course of study at a four-year public
36 or independent institution of higher education; and

37 (4) maintain continuous enrollment in a full-time course of study,
38 unless on medical leave due to the illness of the student or a member
39 of the student's immediate family or emergency leave because of a
40 family emergency, which medical or emergency leave shall have been
41 approved by the four-year public or independent institution of higher
42 education.

43 f. A student who is dismissed for academic or disciplinary reasons
44 from a four-year public or independent institution of higher education
45 shall no longer be eligible for a scholarship under this act. If a student

1 participating in the program is dismissed for disciplinary reasons, the
2 student shall repay in full all amounts received under the program.
3 The four-year public or independent institution of higher education
4 shall be responsible for collecting the repayment, or the amount of any
5 overpayment or other improper payment, of any State awards under
6 the program, in accordance with the provisions of N.J.S.18A:71B-10.

7 g. A student scholarship under the NJ STARS II Program may be
8 renewed upon the student's filing of a renewal financial aid application
9 and providing evidence that the student has satisfied the requirements
10 pursuant to this section.

11

12 5. A four-year public or independent institution of higher education
13 shall accept all academic credits awarded by a county college to an NJ
14 STARS student who subsequently enrolls in the four-year institution
15 and is participating in the NJ STARS II Program at the institution.

16

17 6. a. Not later than September 30, 2008, the authority shall
18 prepare and submit to the Legislature and the Governor a report on
19 the implementation of the NJ STARS II Program at the four-year
20 public and independent institutions of higher education. The report
21 shall, for each institution, set forth statistics on and include an analysis
22 of student participation in the program at the institution, the amounts
23 of funding provided under the program to students enrolled at the
24 institution, the amounts of funding made available to those
25 participating students from State sources other than the NJ STARS II
26 Program and from federal and institutional sources, and such other
27 factors as the authority deems to be necessary or useful to the
28 evaluation of the program. The report shall set forth the number of
29 students participating in the program Statewide, including such
30 statistical and demographic information as may be relevant and
31 appropriate. The report shall also set forth recommendations for
32 adjustments, if any, to the scholarship amount based on such factors
33 as an increase in the cost of living.

34 b. The authority shall administer the provisions of this act and shall
35 establish appropriate criteria, procedures, and guidelines for awarding
36 New Jersey Student Tuition Assistance Reward II Scholarships to
37 eligible students in accordance with the provisions of this act. The
38 authority shall adopt in accordance with the "Administrative Procedure
39 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations as
40 may be necessary to implement the provisions of this act.

41

42 7. Nothing in this act shall be construed to require a four-year
43 public or independent institution of higher education to admit a
44 student eligible for a scholarship under this act or to waive its
45 admission standards and application procedures.

1 8. There is appropriated \$1,000,000 from the General Fund to the
2 Higher Education Student Assistance Authority for the costs of the
3 authority associated with the administration of tuition assistance
4 programs.

5
6 9. This act shall take effect on June 30, 2006.
7
8

9 STATEMENT
10

11 This bill establishes the New Jersey Student Tuition Assistance
12 Reward Scholarship II (NJ STARS II) Program. The program would
13 offer scholarships to NJ STARS scholars who attain an associate's
14 degree and are admitted to a four-year public or independent
15 institution of higher education.

16 For an eligible student enrolled in a full-time course of study at a
17 New Jersey four-year public or independent institution of higher
18 education, a scholarship under the NJ STARS II Program would be
19 paid to the institution in the amount of \$2,000 for each semester of
20 enrollment. The scholarship amount awarded would be in addition to
21 any other State and federal need-based grants and merit scholarships
22 to which the student is entitled. The institution would waive any
23 tuition and fee amount for the student, for up to 18 credits per
24 semester, that exceeded the sum of the NJ STARS II scholarship and
25 any other State and federal grants and scholarships to which the
26 student is entitled. Provided that the student maintains eligibility for
27 participation, the scholarship would be available for up to four
28 semesters.

29 Under the bill's provisions, the student's county college credits
30 would be fully transferable to the four-year institution. Thus, an NJ
31 STARS scholar, who over the two years of county college study
32 earned the number of credits which if earned at the four-year
33 institution would have conferred junior status, would matriculate at
34 the four-year institution as a junior.

35 To be eligible to participate in the program, a student must:

36 (1) be a State resident pursuant to guidelines established by the
37 authority;

38 (2) have applied for all other available forms of State and federal
39 need-based grants and merit scholarships, exclusive of loans, the full
40 amount of which grants and scholarships would be applied to tuition
41 and fee charges;

42 (3) be enrolled in a full-time course of study at a four-year public
43 or independent institution of higher education; and

44 (4) maintain continuous enrollment in a full-time course of study,
45 unless on medical leave due to the illness of the student or a member
46 of the student's immediate family or emergency leave because of a

1 family emergency, which medical or emergency leave must have been
2 approved by the four-year public or independent institution of higher
3 education.

4 A student would be eligible to receive a scholarship under the NJ
5 STARS II Program for the student's third academic year of study if the
6 student: has attained an associate's degree from a New Jersey county
7 college; received a scholarship under the "New Jersey Student Tuition
8 Assistance Reward Scholarship (NJ STARS) Program Act," P.L.2004,
9 c.59 (C.18A:71B-81 et seq.), or was eligible for but did not receive a
10 scholarship under NJ STARS because the student's tuition and fees
11 were fully covered by other State and federal need-based grants and
12 merit scholarships, for each semester of study in the county college;
13 attained a grade point average of at least 3.0 for the second academic
14 year of study in the county college; and, in the academic year
15 immediately following the student's attainment of an associate's
16 degree, enrolls in a baccalaureate degree program at a New Jersey
17 four-year public or independent institution of higher education for the
18 third academic year of study. A student would be eligible to receive
19 a scholarship under the NJ STARS II Program for the student's fourth
20 academic year of study if the student: received a scholarship under the
21 NJ STARS II Program for the student's third academic year of study;
22 and attained a grade point average of at least 3.0 based on the
23 student's performance during that third academic year.

24 The bill appropriates \$1,000,000 to the Higher Education Student
25 Assistance Authority for the costs of the authority associated with the
26 administration of tuition assistance programs.

27 This expansion of the program is an incentive for high-achieving
28 New Jersey students to continue their education, and the development
29 of their professional roots, in their home State.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4512

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 8, 2005

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4512, with committee amendments.

Assembly Bill No. 4512, as amended, establishes the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program. The program would offer scholarships to NJ STARS scholars who attain an associate's degree and are admitted to a four-year public institution of higher education.

For an eligible student enrolled in a full-time course of study at a New Jersey four-year public institution of higher education, a scholarship under the NJ STARS II Program would be paid to the institution in the amount of \$2,000 for each semester of enrollment commencing in the 2006-2007 academic year. For each academic year thereafter, the amount of the scholarship will be increased by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education, except that the amount of the scholarship shall not exceed \$2,500 per semester.

The scholarship amount awarded would be in addition to any other State and federal need-based grants and merit scholarships to which the student is entitled. The institution would waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeded the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. Provided that the student maintains eligibility for participation, the scholarship would be available for up to four semesters.

Under the bill's provisions, the student's county college credits would be fully transferable to the four-year institution. Thus, an NJ STARS scholar, who over the two years of county college study earned the number of credits which if earned at the four-year institution would have conferred junior status, would matriculate at the four-year institution as a junior.

The bill appropriates \$1,000,000 to the Higher Education Student Assistance Authority (HESAA) for the costs of the authority

associated with the administration of tuition assistance programs.

As amended and reported, this bill is identical to S-2905 (1R).

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the fiscal impact of this bill will be approximately \$4.1 million (a one-time \$1 million appropriation to HESAA for administrative costs and \$3.1 million to fund the scholarships) in the first year (one cohort) and approximately \$8.2 million in the second year (two cohorts). The bill provides a \$2,000 scholarship each semester to 4-year public institutions for a student who was previously enrolled under the NJSTARS program at a county college. The scholarship will be available for up to four semesters.

The first year estimate of \$3.1 million to fund the scholarships is based on the assumption that all of the second year NJSTARS students will continue their education at a four year institution in the Fall of 2006. According to information obtained by the OLS from the New Jersey Council on County Colleges, 769 or 66% of first year NJSTARS eligible students (1,157) will continue to be eligible for the 05-06 academic year.

The second year estimate of \$8.2 million is based on several assumptions. First, of the second cohort (1,744 students), 66% or 1,151 will be retained and be eligible for NJSTARS in their sophomore year. Second, that the majority of these second year NJSTARS students will continue their education at a 4-year institution and become NJSTARS II students. Third, that the majority of the first cohort of NJSTARS II students (juniors/third year) will continue to be NJSTARS II students during the senior year. Fourth, that the average percentage increase in tuition will equal 10%. The second year estimate also assumes that the majority of NJSTARS and NJSTARS II students will be retained and continue to make progress toward completion of a 4-year degree.

The OLS is not able to determine how much NJSTARS II will cost beyond two years since it is not known what impact the program will have on student enrollment patterns.

COMMITTEE AMENDMENTS:

The committee amendments remove independent institutions of higher education from the bill. The NJ STARS II Program will only be available at New Jersey four-year public institution of higher education. The committee amendments also allow an institution to choose between waiving the portion of tuition and fees not covered by a student's NJ STARS II scholarship, or providing a student with an institutional scholarship for that amount not covered by the NJ STARS II scholarship. As introduced, the bill did not include the institutional scholarship option. The amendments also provide that the initial year scholarship amount of \$2,000 per semester will be increased annually by half of the average percentage increase in undergraduate tuition and

fees for all four-year public institutions of higher education, but will not exceed \$2,500 per semester.