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LAW/RWH 3/10/2009

§§2-5 -  
C.18A:71B-85.1  
to 18A:71B-85.4  
§9 –  
C.18A:71B-86.4a  
§10 - Note to  
§§1-9

P.L. 2008, CHAPTER 124, *approved December 19, 2008*  
Assembly, No. 3373 (*First Reprint*)

1 AN ACT concerning the NJ STARS and NJ STARS II Programs and  
2 amending and supplementing P.L.2004, c.59 and P.L.2005,  
3 c.359.

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

7  
8 1. Section 5 of P.L.2004, c.59 (C.18A:71B-85) is amended to  
9 read as follows:

10 5. a. A scholarship under the NJ STARS Program shall cover  
11 the full cost of tuition and fees, subject to the prior application of  
12 other grants and scholarships against those costs as provided under  
13 paragraph (2) of subsection c. of this section, for up to **[15]** 18  
14 credit hours in any semester, for an eligible student enrolled in a  
15 full-time course of study at the New Jersey county college serving  
16 the student's county of residence. An otherwise eligible student  
17 who demonstrates to the authority, in accordance with such criteria  
18 and by means of such documentation as the authority shall establish  
19 by regulation, that the county college serving the student's county of  
20 residence does not offer the curriculum that the student chooses to  
21 study shall be eligible for such scholarship at another New Jersey  
22 county college offering that curriculum. The amount of any  
23 scholarship allowed hereunder to a student at a county college  
24 serving a county other than the student's county of residence shall  
25 be computed as though the student were a resident of the county  
26 served by that college, and the college shall likewise compute the  
27 amount of any additional payment, required with respect to the  
28 enrollment of that student for credit hours of study during a  
29 semester in which the scholarship is awarded that are not covered  
30 by that scholarship, as though the student were a resident of the  
31 county.

32 b. A student shall be eligible for a scholarship under the NJ  
33 STARS Program for up to five semesters, including summer

**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:

<sup>1</sup>Assembly AAP committee amendments adopted December 8, 2008.

1 sessions. The scholarship shall be payable for the first year of  
2 enrollment in a county college to a student who:

3 (1) graduated in the top ~~20%~~ 15.0% of the student's high  
4 school graduating class, provided that in the case of students  
5 graduating from high schools that do not calculate the class rank of  
6 their students, the student's ranking shall be determined by the high  
7 school in consultation with the authority; and

8 (2) completed a rigorous high school course of study in  
9 accordance with standards established by the Commission on  
10 Higher Education in consultation with the Commissioner of  
11 Education.

12 During a student's enrollment in a county college after the first  
13 year of enrollment, the scholarship shall be payable to that student  
14 if the student attains a grade point average of at least 3.0 by the  
15 start of the student's second year of county college enrollment. A  
16 student who attains a grade point average of less than 3.0 at the start  
17 of the second semester of the student's first year of county college  
18 enrollment shall participate in an enrichment program designed by  
19 the county college during the second semester of the student's first  
20 year of enrollment.

21 c. To be eligible to receive a scholarship under the NJ STARS  
22 Program a student shall:

23 (1) be a State resident pursuant to guidelines established by the  
24 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
25 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
26 dependent child of a parent or guardian who has been transferred to  
27 a military installation located in this State shall be considered a  
28 resident of this State for the purposes of qualifying for an NJ  
29 STARS scholarship;

30 (2) have applied for all other available forms of State and  
31 federal need-based grants and merit scholarships, exclusive of  
32 loans, the full amount of which grants and scholarships shall be  
33 applied to tuition and fee charges to reduce the amount of any  
34 scholarship that the student shall receive under the provisions of  
35 this act;

36 (3) except as otherwise provided pursuant to subsection a. of  
37 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
38 this bill), be enrolled in a full-time course of study at a New Jersey  
39 county college;

40 (4) have graduated from high school in 2004 or later, and not  
41 earlier than the calendar year two years prior to the first calendar  
42 year in which a scholarship payment is to be made; and

43 (5) except as otherwise provided pursuant to subsection a. of  
44 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
45 this bill), maintain continuous enrollment in a full-time course of  
46 study, unless on medical leave due to the illness of the student or a  
47 member of the student's immediate family or emergency leave  
48 because of a family emergency, which medical or emergency leave

1 shall have been approved by the county college, or unless called to  
2 partial or full mobilization for State or federal active duty as a  
3 member of the National Guard or a Reserve component of the  
4 Armed Forces of the United States.

5 d. A student who is dismissed for academic or disciplinary  
6 reasons from a county college shall no longer be eligible for a  
7 scholarship under this act. If a student participating in the program  
8 is dismissed for disciplinary reasons, the student shall repay in full  
9 all amounts received under the program. The county college shall  
10 be responsible for collecting the repayment, or the amount of any  
11 overpayment or other improper payment, of any State awards under  
12 the program, in accordance with the provisions of N.J.S.18A:71B-  
13 10.

14 e. A student scholarship under the NJ STARS Program may be  
15 renewed upon the student's filing of a renewal financial aid  
16 application and providing evidence that the student has satisfied the  
17 requirements pursuant to subsection b. of this section.

18 (cf: P.L.2007, c.214, s.1)

19

20 2. (New section) a. Upon notice from the authority in a  
21 student's senior year of high school of conditional eligibility for the  
22 NJ STARS Program, a student who determines to pursue final  
23 eligibility for the program shall take a college placement test to  
24 determine readiness for college-level coursework. The test shall be  
25 selected by the New Jersey Council of County Colleges and  
26 administered by the county college of the county in which the  
27 student's school district is located at no cost to the student or the  
28 school district. A county college may enter into an agreement with  
29 the school district to administer the test at the high school or other  
30 selected site within the district.

31 b. A county college shall notify any student who does not  
32 achieve the required score on the placement test that the student  
33 requires remediation prior to pursuing county college coursework  
34 for credit under the NJ STARS Program. The student shall have the  
35 responsibility to address the identified deficiencies through such  
36 means as the student determines, including enrollment in remedial  
37 classes at the county college during the senior year of high school.

38 c. Upon graduation from high school, if a student meets the  
39 eligibility criteria for receipt of an NJ STARS scholarship but is not  
40 able to demonstrate the skill levels required to pursue courses for  
41 credit at a county college, the student shall not receive an NJ  
42 STARS scholarship until that ability is demonstrated. The student  
43 shall have one year from the September 1 next following the date of  
44 high school graduation to demonstrate such ability, and if at the end  
45 of the one-year period the student continues to require remediation,  
46 then the student shall lose eligibility for the NJ STARS Program. If  
47 during or at the end of the one-year period the student demonstrates

1 the required ability, then the student shall be eligible for an NJ  
2 STARS scholarship for five semesters.

3

4 3. (New section) a. A student who receives an NJ STARS  
5 scholarship shall be eligible to take less than 12 credits in the final  
6 semester if the county college determines that the student needs to  
7 complete less than 12 credits in that semester to complete the  
8 degree program.

9 b. In the case of a student who is enrolled in an associate  
10 degree program regularly requiring six semesters, the student shall  
11 not receive an NJ STARS scholarship for the sixth semester but  
12 shall maintain eligibility for the New Jersey Student Tuition  
13 Assistance Reward Scholarship II (NJ STARS II) Program  
14 established pursuant to P.L.2005, c.359 (C.18A:71B-86.1 et seq.),  
15 provided that the student meets the requirements for receipt of an  
16 NJ STARS II scholarship.

17

18 4. (New section) A student who is eligible for an NJ STARS  
19 scholarship who earned college credits while enrolled in high  
20 school may submit to the county college a transcript from the  
21 institution of higher education that awarded the credits. If the  
22 county college determines that the student's coursework is  
23 equivalent to that offered by the county college, then the county  
24 college shall apply the credits toward the award of the student's  
25 associate degree under the NJ STARS Program.

26

27 5. (New section) 'a.' In the case of a student who is receiving  
28 a scholarship under the NJ STARS Program on the effective date of  
29 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
30 scholarship shall be administered and the student shall remain  
31 eligible for the program in accordance with the provisions of  
32 P.L.2004, c.59 (C.18A:71B-81 et seq.) as the same read before the  
33 effective date of P.L. , c. (C. ) (pending before the  
34 Legislature as this bill); except that a student who is in the first  
35 year of county college enrollment shall be required to attain 'at  
36 least' a 3.25 cumulative grade point average upon graduation from  
37 a county college in order to qualify for the New Jersey Student  
38 Tuition Assistance Reward Scholarship II (NJ STARS II) Program  
39 and a student who is in the second year of county college  
40 enrollment shall be required to attain 'at least' a 3.0 cumulative  
41 grade point average upon graduation from a county college to  
42 qualify for NJ STARS II.

43 'b. Notwithstanding the provisions of subsection a. of section 4  
44 of P.L.2005, c.359 (C.18A:71B-86.4) to the contrary, in the case of  
45 a student who is the second year of county college enrollment on  
46 the effective date of P.L. , c. (C. ) (pending before the  
47 Legislature as this bill) who attains a cumulative grade point

1 average equal to or greater than 3.0 and less than 3.25 upon  
2 graduation from a county college and who meets all other  
3 requirements for receipt of an NJ STARS II scholarship, the amount  
4 of the scholarship for the student's third academic year of study  
5 shall equal up to \$3,000 per semester.<sup>1</sup>

6  
7 6. Section 4 of P.L.2005, c.359 (C.18A:71B-86.4) is amended  
8 to read as follows:

9 4. a. **[For]** A scholarship under the NJ STARS II Program  
10 shall be applied toward the cost of tuition or in the case of a student  
11 who receives a Tuition Aid Grant toward the cost of tuition and  
12 fees, subject to the prior application of other grants and scholarships  
13 against such costs as provided under paragraph (2) of subsection e.  
14 of this section, for an eligible student enrolled in a full-time course  
15 of study at a New Jersey four-year public institution of higher  
16 education], a scholarship under the NJ STARS II Program shall be  
17 paid to the institution in the amount of \$2,000 for each semester of  
18 enrollment commencing in the 2006-2007 academic year. For each  
19 academic year thereafter, the amount of the scholarship shall be  
20 increased by one-half of the average percentage increase over the  
21 prior academic year in undergraduate tuition and fees for all four-  
22 year public institutions of higher education and shall be paid to the  
23 institution for each semester of enrollment in that academic year;  
24 except that the amount of the scholarship shall not exceed \$2,500  
25 per semester. The scholarship amount awarded shall be in addition  
26 to any other State and federal need-based grants and merit  
27 scholarships to which the student is entitled. The four-year public  
28 institution of higher education shall waive or provide an  
29 institutional scholarship for any tuition and fee amount for the  
30 student, for up to 18 credits, that exceeds the sum of the NJ STARS  
31 II scholarship and any other State and federal grants and  
32 scholarships to which the student is entitled. The institution shall  
33 not be required to waive or provide an institutional scholarship for  
34 tuition and fees for credits in excess of 18 credit hours in any single  
35 semester] . In the case of a student with a grade point average  
36 equal to or greater than 3.25 and less than 3.50, the scholarship  
37 shall equal up to \$3,000 per semester, and in the case of a student  
38 with a grade point average equal to or greater than 3.50, the  
39 scholarship shall equal up to \$3,500 per semester. The cost of a  
40 scholarship shall be paid 50% by the State and 50% by the public  
41 institution of higher education. Any cost of attendance that is not  
42 covered by the NJ STARS II scholarship or other available forms of  
43 grants and scholarships shall be paid by the student.

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

1 c. A student shall be eligible to receive a scholarship under the  
2 NJ STARS II Program for the student's third academic year of study  
3 if the student: has an annual family income, both taxable and non-  
4 taxable, as derived from the Free Application for Federal Student  
5 Aid (FAFSA) for the academic year, of less than \$250,000; attained  
6 an associate's degree from a New Jersey county college; except as  
7 otherwise provided pursuant to subsection c. of section 2 and  
8 subsection b. of section 3 of P.L. , c. (C. ) (pending before the  
9 Legislature as this bill), received a scholarship under the "New  
10 Jersey Student Tuition Assistance Reward Scholarship (NJ STARS)  
11 Program Act," P.L.2004, c.59 (C.18A:71B-81 et seq.), for each  
12 semester of study in the county college, or was eligible for but did  
13 not receive a scholarship under NJ STARS because the student's  
14 tuition and fees were fully covered by other State or federal need-  
15 based grants or merit scholarships, or was eligible for but did not  
16 receive a scholarship under NJ STARS because the student was  
17 enrolled while a high school student in county college courses and  
18 received an associate's degree in accordance with a joint program  
19 offered by the student's school district and a county college; attains  
20 a cumulative grade point average of at least [3.0 for the second  
21 academic year of study in the] 3.25 upon graduation from county  
22 college; enrolls in a baccalaureate degree program at a New Jersey  
23 four-year public institution of higher education for the third  
24 academic year of study in the academic year immediately following  
25 the student's attainment of an associate's degree; and meets the  
26 criteria set forth in subsection e. of this section. A grade for credits  
27 earned during a summer semester shall for the purposes of this  
28 subsection be included in the calculation of the cumulative grade  
29 point average [for the preceding academic year] . The amount of  
30 the scholarship awarded for the third academic year of study shall  
31 be based on the student's cumulative grade point average upon  
32 graduation from the county college in accordance with the  
33 provisions of subsection a. of this section.

34 d. A student shall be eligible to receive a scholarship under the  
35 NJ STARS II Program for the student's fourth academic year of  
36 study if the student: received a scholarship under the NJ STARS II  
37 Program for the student's third academic year of study pursuant to  
38 subsection c. of this section; based on the student's performance  
39 during the third academic year of study, attained a grade point  
40 average of at least [3.0] 3.25; and meets the criteria set forth in  
41 subsection e. of this section. A grade for credits earned during a  
42 summer semester shall for the purposes of this subsection be  
43 included in the calculation of the grade point average for the  
44 preceding academic year. The amount of the scholarship awarded  
45 for the fourth academic year of study shall be based on the student's  
46 grade point average during the third academic year of study in  
47 accordance with the provisions of subsection a. of this section.



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

3 (1) be a State resident pursuant to guidelines established by the  
4 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
5 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
6 dependent child of a parent or guardian who has been transferred to  
7 a military installation located in this State shall be considered a  
8 resident of this State for the purposes of qualifying for an NJ  
9 STARS II scholarship;

10 (2) have applied for all other available forms of State and  
11 federal need-based grants and merit scholarships, exclusive of  
12 loans, the full amount of which grants and scholarships shall be  
13 applied to tuition, and fee charges if applicable, to reduce the  
14 amount of any scholarship that the student shall receive under the  
15 provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.);

16 (3) be enrolled in a full-time course of study at a four-year  
17 public institution of higher education; and

18 (4) maintain continuous enrollment in a full-time course of  
19 study, unless on medical leave due to the illness of the student or a  
20 member of the student's immediate family or emergency leave  
21 because of a family emergency, which medical or emergency leave  
22 shall have been approved by the four-year public institution of  
23 higher education, or unless called to partial or full mobilization for  
24 State or federal active duty as a member of the National Guard or a  
25 Reserve component of the Armed Forces of the United States.

26 f. A student who is dismissed for academic or disciplinary  
27 reasons from a four-year public institution of higher education shall  
28 no longer be eligible for a scholarship under this act. If a student  
29 participating in the program is dismissed for disciplinary reasons,  
30 the student shall repay in full all amounts received under the  
31 program. The four-year public institution of higher education shall  
32 be responsible for collecting the repayment, or the amount of any  
33 overpayment or other improper payment, of any State awards under  
34 the program, in accordance with the provisions of N.J.S.18A:71B-  
35 10.

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

40 (cf: P. L. 2007, c.214, s.2)

41

42 7. Section 5 of P.L.2005, c.359 (C.18A:71B-86.5) is amended  
43 to read as follows:

44 5. **[A four-year public institution of higher education shall**  
45 **accept all]** The policies and procedures set forth in the Statewide  
46 transfer agreement established pursuant to P.L.2007, c.175  
47 (C.18A:62-46 et seq.) shall govern the transfer of academic credits  
48 awarded by a county college to an NJ STARS student who

1 subsequently enrolls in ~~the~~ a four-year public institution of higher  
2 education and is participating in the NJ STARS II Program at the  
3 institution.

4 (cf: P.L.2005, c.359, s.5)

5

6 8. Section 7 of P.L.2005, c.359 (C.18A:71B-86.7) is amended  
7 to read as follows:

8 7. Nothing in this act shall be construed to require a four-year  
9 public institution of higher education to admit a student eligible for  
10 a scholarship under this act or to waive its admission standards and  
11 application procedures; except that the institution shall apply the  
12 same admission standards and application procedures that it applies  
13 to all other transfer students.

14 (cf: P.L.2005, c.359, s.7)

15

16 9. (New section) In the case of a student who is receiving a  
17 scholarship under the NJ STARS II Program and is in the third  
18 academic year of study at a public institution of higher education on  
19 the effective date of P.L. , c. (C. ) (pending before the  
20 Legislature as this bill), the scholarship shall be administered and  
21 the student shall remain eligible for the program in accordance with  
22 the provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.) as the  
23 same read before the effective date of P.L. , c. (C. ) (pending  
24 before the Legislature as this bill).

25

26 10. This act shall take effect immediately and shall first be  
27 applicable to the 2009-2010 academic year.

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Revises the NJ STARS and NJ STARS II Programs.

# ASSEMBLY, No. 3373

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED OCTOBER 23, 2008

**Sponsored by:**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

**Assemblyman DAVID W. WOLFE**

**District 10 (Monmouth and Ocean)**

**SYNOPSIS**

Revises the NJ STARS and NJ STARS II Programs.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning the NJ STARS and NJ STARS II Programs and  
2 amending and supplementing P.L.2004, c.59 and P.L.2005,  
3 c.359.

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

7  
8 1. Section 5 of P.L.2004, c.59 (C.18A:71B-85) is amended to  
9 read as follows:

10 5. a. A scholarship under the NJ STARS Program shall cover  
11 the full cost of tuition and fees, subject to the prior application of  
12 other grants and scholarships against those costs as provided under  
13 paragraph (2) of subsection c. of this section, for up to **[15]** 18  
14 credit hours in any semester, for an eligible student enrolled in a  
15 full-time course of study at the New Jersey county college serving  
16 the student's county of residence. An otherwise eligible student  
17 who demonstrates to the authority, in accordance with such criteria  
18 and by means of such documentation as the authority shall establish  
19 by regulation, that the county college serving the student's county of  
20 residence does not offer the curriculum that the student chooses to  
21 study shall be eligible for such scholarship at another New Jersey  
22 county college offering that curriculum. The amount of any  
23 scholarship allowed hereunder to a student at a county college  
24 serving a county other than the student's county of residence shall  
25 be computed as though the student were a resident of the county  
26 served by that college, and the college shall likewise compute the  
27 amount of any additional payment, required with respect to the  
28 enrollment of that student for credit hours of study during a  
29 semester in which the scholarship is awarded that are not covered  
30 by that scholarship, as though the student were a resident of the  
31 county.

32 b. A student shall be eligible for a scholarship under the NJ  
33 STARS Program for up to five semesters, including summer  
34 sessions. The scholarship shall be payable for the first year of  
35 enrollment in a county college to a student who:

36 (1) graduated in the top **[20%]** 15.0% of the student's high  
37 school graduating class, provided that in the case of students  
38 graduating from high schools that do not calculate the class rank of  
39 their students, the student's ranking shall be determined by the high  
40 school in consultation with the authority; and

41 (2) completed a rigorous high school course of study in  
42 accordance with standards established by the Commission on  
43 Higher Education in consultation with the Commissioner of  
44 Education.

**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.

1 During a student's enrollment in a county college after the first  
2 year of enrollment, the scholarship shall be payable to that student  
3 if the student attains a grade point average of at least 3.0 by the  
4 start of the student's second year of county college enrollment. A  
5 student who attains a grade point average of less than 3.0 at the start  
6 of the second semester of the student's first year of county college  
7 enrollment shall participate in an enrichment program designed by  
8 the county college during the second semester of the student's first  
9 year of enrollment.

10 c. To be eligible to receive a scholarship under the NJ STARS  
11 Program a student shall:

12 (1) be a State resident pursuant to guidelines established by the  
13 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
14 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
15 dependent child of a parent or guardian who has been transferred to  
16 a military installation located in this State shall be considered a  
17 resident of this State for the purposes of qualifying for an NJ  
18 STARS scholarship;

19 (2) have applied for all other available forms of State and  
20 federal need-based grants and merit scholarships, exclusive of  
21 loans, the full amount of which grants and scholarships shall be  
22 applied to tuition and fee charges to reduce the amount of any  
23 scholarship that the student shall receive under the provisions of  
24 this act;

25 (3) except as otherwise provided pursuant to subsection a. of  
26 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
27 this bill), be enrolled in a full-time course of study at a New Jersey  
28 county college;

29 (4) have graduated from high school in 2004 or later, and not  
30 earlier than the calendar year two years prior to the first calendar  
31 year in which a scholarship payment is to be made; and

32 (5) except as otherwise provided pursuant to subsection a. of  
33 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
34 this bill), maintain continuous enrollment in a full-time course of  
35 study, unless on medical leave due to the illness of the student or a  
36 member of the student's immediate family or emergency leave  
37 because of a family emergency, which medical or emergency leave  
38 shall have been approved by the county college, or unless called to  
39 partial or full mobilization for State or federal active duty as a  
40 member of the National Guard or a Reserve component of the  
41 Armed Forces of the United States.

42 d. A student who is dismissed for academic or disciplinary  
43 reasons from a county college shall no longer be eligible for a  
44 scholarship under this act. If a student participating in the program  
45 is dismissed for disciplinary reasons, the student shall repay in full  
46 all amounts received under the program. The county college shall  
47 be responsible for collecting the repayment, or the amount of any  
48 overpayment or other improper payment, of any State awards under

1 the program, in accordance with the provisions of N.J.S.18A:71B-  
2 10.

3 e. A student scholarship under the NJ STARS Program may be  
4 renewed upon the student's filing of a renewal financial aid  
5 application and providing evidence that the student has satisfied the  
6 requirements pursuant to subsection b. of this section.  
7 (cf: P.L.2007, c.214, s.1)

8  
9 2. (New section) a. Upon notice from the authority in a  
10 student's senior year of high school of conditional eligibility for the  
11 NJ STARS Program, a student who determines to pursue final  
12 eligibility for the program shall take a college placement test to  
13 determine readiness for college-level coursework. The test shall be  
14 selected by the New Jersey Council of County Colleges and  
15 administered by the county college of the county in which the  
16 student's school district is located at no cost to the student or the  
17 school district. A county college may enter into an agreement with  
18 the school district to administer the test at the high school or other  
19 selected site within the district.

20 b. A county college shall notify any student who does not  
21 achieve the required score on the placement test that the student  
22 requires remediation prior to pursuing county college coursework  
23 for credit under the NJ STARS Program. The student shall have the  
24 responsibility to address the identified deficiencies through such  
25 means as the student determines, including enrollment in remedial  
26 classes at the county college during the senior year of high school.

27 c. Upon graduation from high school, if a student meets the  
28 eligibility criteria for receipt of an NJ STARS scholarship but is not  
29 able to demonstrate the skill levels required to pursue courses for  
30 credit at a county college, the student shall not receive an NJ  
31 STARS scholarship until that ability is demonstrated. The student  
32 shall have one year from the September 1 next following the date of  
33 high school graduation to demonstrate such ability, and if at the end  
34 of the one-year period the student continues to require remediation,  
35 then the student shall lose eligibility for the NJ STARS Program. If  
36 during or at the end of the one-year period the student demonstrates  
37 the required ability, then the student shall be eligible for an NJ  
38 STARS scholarship for five semesters.

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40 3. (New section) a. A student who receives an NJ STARS  
41 scholarship shall be eligible to take less than 12 credits in the final  
42 semester if the county college determines that the student needs to  
43 complete less than 12 credits in that semester to complete the  
44 degree program.

45 b. In the case of a student who is enrolled in an associate  
46 degree program regularly requiring six semesters, the student shall  
47 not receive an NJ STARS scholarship for the sixth semester but  
48 shall maintain eligibility for the New Jersey Student Tuition

1 Assistance Reward Scholarship II (NJ STARS II) Program  
2 established pursuant to P.L.2005, c.359 (C.18A:71B-86.1 et seq.),  
3 provided that the student meets the requirements for receipt of an  
4 NJ STARS II scholarship.

5  
6 4. (New section) A student who is eligible for an NJ STARS  
7 scholarship who earned college credits while enrolled in high  
8 school may submit to the county college a transcript from the  
9 institution of higher education that awarded the credits. If the  
10 county college determines that the student's coursework is  
11 equivalent to that offered by the county college, then the county  
12 college shall apply the credits toward the award of the student's  
13 associate degree under the NJ STARS Program.

14  
15 5. (New section) In the case of a student who is receiving a  
16 scholarship under the NJ STARS Program on the effective date of  
17 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
18 scholarship shall be administered and the student shall remain  
19 eligible for the program in accordance with the provisions of  
20 P.L.2004, c.59 (C.18A:71B-81 et seq.) as the same read before the  
21 effective date of P.L. , c. (C. ) (pending before the  
22 Legislature as this bill); except that a student who is in the first  
23 year of county college enrollment shall be required to attain a 3.25  
24 cumulative grade point average upon graduation from a county  
25 college in order to qualify for the New Jersey Student Tuition  
26 Assistance Reward Scholarship II (NJ STARS II) Program and a  
27 student who is in the second year of county college enrollment shall  
28 be required to attain a 3.0 cumulative grade point average upon  
29 graduation from a county college to qualify for NJ STARS II.

30  
31 6. Section 4 of P.L.2005, c.359 (C.18A:71B-86.4) is amended  
32 to read as follows:

33 4. a. For A scholarship under the NJ STARS II Program  
34 shall be applied toward the cost of tuition or in the case of a student  
35 who receives a Tuition Aid Grant toward the cost of tuition and  
36 fees, subject to the prior application of other grants and scholarships  
37 against such costs as provided under paragraph (2) of subsection e.  
38 of this section, for an eligible student enrolled in a full-time course  
39 of study at a New Jersey four-year public institution of higher  
40 education[, a scholarship under the NJ STARS II Program shall be  
41 paid to the institution in the amount of \$2,000 for each semester of  
42 enrollment commencing in the 2006-2007 academic year. For each  
43 academic year thereafter, the amount of the scholarship shall be  
44 increased by one-half of the average percentage increase over the  
45 prior academic year in undergraduate tuition and fees for all four-  
46 year public institutions of higher education and shall be paid to the  
47 institution for each semester of enrollment in that academic year;  
48 except that the amount of the scholarship shall not exceed \$2,500

1 per semester. The scholarship amount awarded shall be in addition  
2 to any other State and federal need-based grants and merit  
3 scholarships to which the student is entitled. The four-year public  
4 institution of higher education shall waive or provide an  
5 institutional scholarship for any tuition and fee amount for the  
6 student, for up to 18 credits, that exceeds the sum of the NJ STARS  
7 II scholarship and any other State and federal grants and  
8 scholarships to which the student is entitled. The institution shall  
9 not be required to waive or provide an institutional scholarship for  
10 tuition and fees for credits in excess of 18 credit hours in any single  
11 semester] . In the case of a student with a grade point average  
12 equal to or greater than 3.25 and less than 3.50, the scholarship  
13 shall equal up to \$3,000 per semester, and in the case of a student  
14 with a grade point average equal to or greater than 3.50, the  
15 scholarship shall equal up to \$3,500 per semester. The cost of a  
16 scholarship shall be paid 50% by the State and 50% by the public  
17 institution of higher education. Any cost of attendance that is not  
18 covered by the NJ STARS II scholarship or other available forms of  
19 grants and scholarships shall be paid by the student.

20 b. A student shall be eligible for a scholarship under the NJ  
21 STARS II Program for up to four semesters, excluding summer  
22 sessions, at a New Jersey four-year public institution of higher  
23 education.

24 c. A student shall be eligible to receive a scholarship under the  
25 NJ STARS II Program for the student's third academic year of study  
26 if the student: has an annual family income, both taxable and non-  
27 taxable, as derived from the Free Application for Federal Student  
28 Aid (FAFSA) for the academic year, of less than \$250,000; attained  
29 an associate's degree from a New Jersey county college; except as  
30 otherwise provided pursuant to subsection c. of section 2 and  
31 subsection b. of section 3 of P.L. , c. (C. ) (pending before the  
32 Legislature as this bill), received a scholarship under the "New  
33 Jersey Student Tuition Assistance Reward Scholarship (NJ STARS)  
34 Program Act," P.L.2004, c.59 (C.18A:71B-81 et seq.), for each  
35 semester of study in the county college, or was eligible for but did  
36 not receive a scholarship under NJ STARS because the student's  
37 tuition and fees were fully covered by other State or federal need-  
38 based grants or merit scholarships, or was eligible for but did not  
39 receive a scholarship under NJ STARS because the student was  
40 enrolled while a high school student in county college courses and  
41 received an associate's degree in accordance with a joint program  
42 offered by the student's school district and a county college; attains  
43 a cumulative grade point average of at least [3.0 for the second  
44 academic year of study in the] 3.25 upon graduation from county  
45 college; enrolls in a baccalaureate degree program at a New Jersey  
46 four-year public institution of higher education for the third  
47 academic year of study in the academic year immediately following  
48 the student's attainment of an associate's degree; and meets the



1 criteria set forth in subsection e. of this section. A grade for credits  
2 earned during a summer semester shall for the purposes of this  
3 subsection be included in the calculation of the cumulative grade  
4 point average **【for the preceding academic year】** . The amount of  
5 the scholarship awarded for the third academic year of study shall  
6 be based on the student's cumulative grade point average upon  
7 graduation from the county college in accordance with the  
8 provisions of subsection a. of this section.

9 d. A student shall be eligible to receive a scholarship under the  
10 NJ STARS II Program for the student's fourth academic year of  
11 study if the student: received a scholarship under the NJ STARS II  
12 Program for the student's third academic year of study pursuant to  
13 subsection c. of this section; based on the student's performance  
14 during the third academic year of study, attained a grade point  
15 average of at least **【3.0】** 3.25; and meets the criteria set forth in  
16 subsection e. of this section. A grade for credits earned during a  
17 summer semester shall for the purposes of this subsection be  
18 included in the calculation of the grade point average for the  
19 preceding academic year. The amount of the scholarship awarded  
20 for the fourth academic year of study shall be based on the student's  
21 grade point average during the third academic year of study in  
22 accordance with the provisions of subsection a. of this section.

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

25 (1) be a State resident pursuant to guidelines established by the  
26 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
27 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
28 dependent child of a parent or guardian who has been transferred to  
29 a military installation located in this State shall be considered a  
30 resident of this State for the purposes of qualifying for an NJ  
31 STARS II scholarship;

32 (2) have applied for all other available forms of State and  
33 federal need-based grants and merit scholarships, exclusive of  
34 loans, the full amount of which grants and scholarships shall be  
35 applied to tuition, and fee charges if applicable, to reduce the  
36 amount of any scholarship that the student shall receive under the  
37 provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.);

38 (3) be enrolled in a full-time course of study at a four-year  
39 public institution of higher education; and

40 (4) maintain continuous enrollment in a full-time course of  
41 study, unless on medical leave due to the illness of the student or a  
42 member of the student's immediate family or emergency leave  
43 because of a family emergency, which medical or emergency leave  
44 shall have been approved by the four-year public institution of  
45 higher education, or unless called to partial or full mobilization for  
46 State or federal active duty as a member of the National Guard or a  
47 Reserve component of the Armed Forces of the United States.

1 f. A student who is dismissed for academic or disciplinary  
2 reasons from a four-year public institution of higher education shall  
3 no longer be eligible for a scholarship under this act. If a student  
4 participating in the program is dismissed for disciplinary reasons,  
5 the student shall repay in full all amounts received under the  
6 program. The four-year public institution of higher education shall  
7 be responsible for collecting the repayment, or the amount of any  
8 overpayment or other improper payment, of any State awards under  
9 the program, in accordance with the provisions of N.J.S.18A:71B-  
10 10.

11 g. A student scholarship under the NJ STARS II Program may  
12 be renewed upon the student's filing of a renewal financial aid  
13 application and providing evidence that the student has satisfied the  
14 requirements pursuant to this section.  
15 (cf: P. L. 2007, c.214, s.2)

16  
17 7. Section 5 of P.L.2005, c.359 (C.18A:71B-86.5) is amended  
18 to read as follows:

19 5. **[A four-year public institution of higher education shall**  
20 **accept all]** The policies and procedures set forth in the Statewide  
21 transfer agreement established pursuant to P.L.2007, c.175  
22 (C.18A:62-46 et seq.) shall govern the transfer of academic credits  
23 awarded by a county college to an NJ STARS student who  
24 subsequently enrolls in**[the]** a four-year public institution of higher  
25 education and is participating in the NJ STARS II Program at the  
26 institution.  
27 (cf: P.L.2005, c.359, s.5)

28  
29 8. Section 7 of P.L.2005, c.359 (C.18A:71B-86.7) is amended  
30 to read as follows:

31 7. Nothing in this act shall be construed to require a four-year  
32 public institution of higher education to admit a student eligible for  
33 a scholarship under this act or to waive its admission standards and  
34 application procedures; except that the institution shall apply the  
35 same admission standards and application procedures that it applies  
36 to all other transfer students.

37 (cf: P.L.2005, c.359, s.7)

38  
39 9. (New section) In the case of a student who is receiving a  
40 scholarship under the NJ STARS II Program and is in the third  
41 academic year of study at a public institution of higher education on  
42 the effective date of P.L. , c. (C. ) (pending before the  
43 Legislature as this bill), the scholarship shall be administered and  
44 the student shall remain eligible for the program in accordance with  
45 the provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.) as the  
46 same read before the effective date of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

1 10. This act shall take effect immediately and shall first be  
 2 applicable to the 2009-2010 academic year.

3  
 4  
 5 STATEMENT

6  
 7 This bill makes a number of revisions to the NJ STARS and NJ  
 8 STARS II Programs. In the case of the NJ STARS Program, the  
 9 major changes include the following:

10 1) to be eligible for the NJ STARS Program a high school  
 11 student must graduate in the top 15.0% of the class as opposed to  
 12 the current 20% requirement, and the student must also have  
 13 completed a rigorous high school course of study in accordance  
 14 with standards established by the Commission on Higher Education  
 15 in consultation with the Commissioner of Education;

16 2) a dependent child of a parent or guardian who has been  
 17 transferred to a military installation located in the State will be  
 18 considered a State resident for the purposes of qualifying for an NJ  
 19 STARS scholarship. This same change is made under the NJ  
 20 STARS II Program;

21 3) upon notice from the Higher Education Student Assistance  
 22 Authority in the senior year of high school of a student's  
 23 conditional eligibility for the NJ STARS Program, a student who  
 24 wishes to pursue final eligibility for the program must take a  
 25 college placement test to determine the student's readiness for  
 26 college-level coursework. The test will be administered by the  
 27 county college of the county in which the student's school district is  
 28 located, at no cost to the student or school district. If the county  
 29 college notifies a student that the test indicates the student needs  
 30 remediation prior to undertaking course work for credit at the  
 31 college level, then the student will have the responsibility to address  
 32 the identified deficiencies during senior year through such means as  
 33 the student determines, which may include enrolling in remedial  
 34 classes at a county college;

35 4) if upon graduation from high school a student meets the  
 36 eligibility criteria for the NJ STARS Program but is still not able to  
 37 demonstrate the skills necessary to pursue courses for credit at a  
 38 county college, the student will not receive an NJ STARS  
 39 scholarship until that ability is demonstrated. The student will have  
 40 one year from the September 1 following the date of graduation to  
 41 demonstrate that ability, and if at the end of that one-year period is  
 42 not able to do so, then the student will lose eligibility for the  
 43 program. If however, during or by the end of the one-year period  
 44 the student demonstrates the required proficiency, the student will  
 45 then be eligible for an NJ STARS scholarship for five semesters;

46 5) increases the number of credits per semester covered by an  
 47 NJ STARS scholarship from 15 to 18;

1       6) allows a scholarship student to take less than 12 credits in  
2 the final semester of scholarship eligibility, if the county college  
3 determines that the student needs to complete less than 12 credits to  
4 complete the degree program; and

5       7) establishes a procedure for the county college acceptance of  
6 college credits earned by an NJ STARS student while still in high  
7 school and the application of those credits toward an associate  
8 degree under the program.

9       In the case of the NJ STARS II Program, the major changes  
10 include the following:

11       1) to be eligible for NJ STARS II, an NJ STARS student must  
12 graduate from the county college with a cumulative grade point  
13 average of 3.25. Under current law an NJ STARS student is only  
14 required to attain a 3.0 grade point average in order to be eligible  
15 for the NJ STARS II Program;

16       2) to establish initial eligibility for the NJ STARS II Program a  
17 student's family income must be less than \$250,000;

18       3) the NJ STARS II scholarship will only cover tuition, except  
19 that in the case of a student who is eligible for a Tuition Aid Grant  
20 the scholarship will cover tuition and fees. Under current law the  
21 total amount of tuition and fees is covered for all students under the  
22 program following the application of all other available forms of  
23 State and federal need-based grants and merit scholarships;

24       4) the amount of the scholarship awarded will be dependent  
25 upon the student's grade point average. For the third academic year  
26 of study at a four-year public institution of higher education, if the  
27 student attained a cumulative grade point average upon graduation  
28 from a county college that is equal to or greater than 3.25 and less  
29 than 3.50 the student will be eligible for a scholarship of up to  
30 \$3,000 per semester; and if the student attained a cumulative grade  
31 point average equal to or greater than 3.50, the student will be  
32 eligible for a scholarship of up to \$3,500 per semester. For the  
33 fourth academic year of study, the amount of the scholarship will be  
34 dependent upon the student's grade point average during the third  
35 academic year of study;

36       5) the cost of an NJ STARS II scholarship will be paid 50% by  
37 the State and 50% by the public institution of higher education.  
38 Any cost of attendance that is not covered by the scholarship or  
39 other available forms of grants and scholarships will be paid by the  
40 student; and

41       6) eligibility for the NJ STARS II Program is extended to a  
42 student who was eligible for NJ STARS but did not receive a  
43 scholarship under that program because the student earned an  
44 associate degree while enrolled in high school under a joint  
45 program offered by the student's school district and a county  
46 college.

47       The bill provides that in the case of a student who is receiving an  
48 NJ STARS scholarship on the bill's effective date, that student will

1 remain eligible for an NJ STARS scholarship in accordance with  
2 the program's current criteria. However, such a student who is in  
3 the first year of county college enrollment will need at least a 3.25  
4 cumulative grade point average upon graduation from a county  
5 college in order to qualify for the NJ STARS II Program. A student  
6 who is in the second year of county college enrollment will only  
7 need to meet the current GPA requirement of 3.0 in order to qualify  
8 for NJ STARS II.

9 In the case of a student who is receiving an NJ STARS II  
10 scholarship on the bill's effective date, that student will remain  
11 eligible for an NJ STARS II scholarship in accordance with the  
12 program's current criteria.

# ASSEMBLY HIGHER EDUCATION COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3373

# STATE OF NEW JERSEY

DATED: OCTOBER 23, 2008

The Assembly Higher Education Committee reports favorably Assembly Bill No. 3373.

This bill makes a number of revisions to the NJ STARS and NJ STARS II Programs. In the case of the NJ STARS Program, the major changes include the following:

1) to be eligible for the NJ STARS Program a high school student must graduate in the top 15.0% of the class as opposed to the current 20% requirement, and the student must also have completed a rigorous high school course of study in accordance with standards established by the Commission on Higher Education in consultation with the Commissioner of Education;

2) a dependent child of a parent or guardian who has been transferred to a military installation located in the State will be considered a State resident for the purposes of qualifying for an NJ STARS scholarship. This same change is made under the NJ STARS II Program;

3) upon notice from the Higher Education Student Assistance Authority in the senior year of high school of a student's conditional eligibility for the NJ STARS Program, a student who wishes to pursue final eligibility for the program must take a college placement test to determine the student's readiness for college-level coursework. The test will be administered by the county college of the county in which the student's school district is located, at no cost to the student or school district. If the county college notifies a student that the test indicates the student needs remediation prior to undertaking course work for credit at the college level, then the student will have the responsibility to address the identified deficiencies during senior year through such means as the student determines, which may include enrolling in remedial classes at a county college;

4) if upon graduation from high school a student meets the eligibility criteria for the NJ STARS Program but is still not able to demonstrate the skills necessary to pursue courses for credit at a county college, the student will not receive an NJ STARS scholarship until that ability is demonstrated. The student will have one year from the September 1 following the date of graduation to demonstrate that ability, and if at the end of that one-year period is not able to do so, then the student will lose eligibility for the program. If however,

during or by the end of the one-year period the student demonstrates the required proficiency, the student will then be eligible for an NJ STARS scholarship for five semesters;

5) increases the number of credits per semester covered by an NJ STARS scholarship from 15 to 18;

6) allows a scholarship student to take less than 12 credits in the final semester of scholarship eligibility, if the county college determines that the student needs to complete less than 12 credits to complete the degree program; and

7) establishes a procedure for the county college acceptance of college credits earned by an NJ STARS student while still in high school and the application of those credits toward an associate degree under the program.

In the case of the NJ STARS II Program, the major changes include the following:

1) to be eligible for NJ STARS II, an NJ STARS student must graduate from the county college with a cumulative grade point average of 3.25. Under current law an NJ STARS student is only required to attain a 3.0 grade point average in order to be eligible for the NJ STARS II Program;

2) to establish initial eligibility for the NJ STARS II Program a student's family income must be less than \$250,000;

3) the NJ STARS II scholarship will only cover tuition, except that in the case of a student who is eligible for a Tuition Aid Grant the scholarship will cover tuition and fees. Under current law the total amount of tuition and fees is covered for all students under the program following the application of all other available forms of State and federal need-based grants and merit scholarships;

4) the amount of the scholarship awarded will be dependent upon the student's grade point average. For the third academic year of study at a four-year public institution of higher education, if the student attained a cumulative grade point average upon graduation from a county college that is equal to or greater than 3.25 and less than 3.50 the student will be eligible for a scholarship of up to \$3,000 per semester; and if the student attained a cumulative grade point average equal to or greater than 3.50, the student will be eligible for a scholarship of up to \$3,500 per semester. For the fourth academic year of study, the amount of the scholarship will be dependent upon the student's grade point average during the third academic year of study;

5) the cost of an NJ STARS II scholarship will be paid 50% by the State and 50% by the public institution of higher education. Any cost of attendance that is not covered by the scholarship or other available forms of grants and scholarships will be paid by the student; and

6) eligibility for the NJ STARS II Program is extended to a student who was eligible for NJ STARS but did not receive a scholarship under that program because the student earned an associate

degree while enrolled in high school under a joint program offered by the student's school district and a county college.

The bill provides that in the case of a student who is receiving an NJ STARS scholarship on the bill's effective date, that student will remain eligible for an NJ STARS scholarship in accordance with the program's current criteria. However, such a student who is in the first year of county college enrollment will need at least a 3.25 cumulative grade point average upon graduation from a county college in order to qualify for the NJ STARS II Program. A student who is in the second year of county college enrollment will only need to meet the current GPA requirement of 3.0 in order to qualify for NJ STARS II.

In the case of a student who is receiving an NJ STARS II scholarship on the bill's effective date, that student will remain eligible for an NJ STARS II scholarship in accordance with the program's current criteria.



# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3373**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 8, 2008

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3373, with committee amendments.

The bill, as amended, makes a number of revisions to the NJ STARS and NJ STARS II Programs. In the case of the NJ STARS Program, the major changes include the following:

1) to be eligible for the NJ STARS Program a high school student must graduate in the top 15.0% of the class as opposed to the current 20% requirement, and the student must also have completed a rigorous high school course of study in accordance with standards established by the Commission on Higher Education in consultation with the Commissioner of Education;

2) a dependent child of a parent or guardian who has been transferred to a military installation located in the State will be considered a State resident for the purposes of qualifying for an NJ STARS scholarship. This same change is made under the NJ STARS II Program;

3) upon notice from the Higher Education Student Assistance Authority in the senior year of high school of a student's conditional eligibility for the NJ STARS Program, a student who wishes to pursue final eligibility for the program must take a college placement test to determine the student's readiness for college-level coursework. The test will be administered by the county college of the county in which the student's school district is located, at no cost to the student or school district. If the county college notifies a student that the test indicates the student needs remediation prior to undertaking course work for credit at the college level, then the student will have the responsibility to address the identified deficiencies during senior year through such means as the student determines, which may include enrolling in remedial classes at a county college;

4) if upon graduation from high school a student meets the eligibility criteria for the NJ STARS Program but is still not able to demonstrate the skills necessary to pursue courses for credit at a county college, the student will not receive an NJ STARS scholarship until that ability is demonstrated. The student will have one year from the September 1 following the date of graduation to demonstrate that

ability, and if at the end of that one-year period is not able to do so, then the student will lose eligibility for the program. If however, during or by the end of the one-year period the student demonstrates the required proficiency, the student will then be eligible for an NJ STARS scholarship for five semesters;

5) increases the number of credits per semester covered by an NJ STARS scholarship from 15 to 18;

6) allows a scholarship student to take fewer than 12 credits in the final semester of scholarship eligibility, if the county college determines that the student needs to complete fewer than 12 credits to complete the degree program; and

7) establishes a procedure for the county college acceptance of college credits earned by an NJ STARS student while still in high school and the application of those credits toward an associate degree under the program.

In the case of the NJ STARS II Program, the major changes include the following:

1) to be eligible for NJ STARS II, an NJ STARS student must graduate from the county college with a cumulative grade point average of 3.25. Under current law an NJ STARS student is only required to attain a 3.0 grade point average in order to be eligible for the NJ STARS II Program;

2) to establish initial eligibility for the NJ STARS II Program a student's family income must be less than \$250,000;

3) the NJ STARS II scholarship will only cover tuition, except that in the case of a student who is eligible for a Tuition Aid Grant the scholarship will cover tuition and fees. Under current law the total amount of tuition and fees is covered for all students under the program following the application of all other available forms of State and federal need-based grants and merit scholarships;

4) the amount of the scholarship awarded will be dependent upon the student's grade point average. For the third academic year of study at a four-year public institution of higher education, if the student attained a cumulative grade point average upon graduation from a county college that is equal to or greater than 3.25 and less than 3.50 the student will be eligible for a scholarship of up to \$3,000 per semester; and if the student attained a cumulative grade point average equal to or greater than 3.50, the student will be eligible for a scholarship of up to \$3,500 per semester. For the fourth academic year of study, the amount of the scholarship will be dependent upon the student's grade point average during the third academic year of study;

5) the cost of an NJ STARS II scholarship will be paid 50% by the State and 50% by the public institution of higher education. Any cost of attendance that is not covered by the scholarship or other available forms of grants and scholarships will be paid by the student; and

6) eligibility for the NJ STARS II Program is extended to a student who was eligible for NJ STARS but did not receive a scholarship under that program because the student earned an associate degree while enrolled in high school under a joint program offered by the student's school district and a county college.

The bill provides that in the case of a student who is receiving an NJ STARS scholarship on the bill's effective date, that student will remain eligible for an NJ STARS scholarship in accordance with the program's current criteria. However, such a student who is in the first year of county college enrollment will need at least a 3.25 cumulative grade point average upon graduation from a county college in order to qualify for the NJ STARS II Program. A student who is in the second year of county college enrollment will only need to meet the current grade point average requirement of 3.0 in order to qualify for NJ STARS II.

In the case of a student who is receiving an NJ STARS II scholarship on the bill's effective date, that student will remain eligible for an NJ STARS II scholarship in accordance with the program's current criteria.

FISCAL IMPACT:

No hard data are available on these changes, however, there will be a savings, but as to what amount is not known at this time.

COMMITTEE AMENDMENTS:

The amendments clarify that the amount of the scholarship that an NJ STARS I recipient, who is in the second year of county college enrollment on the effective date of the bill and who attains a cumulative grade point average equal to or greater than 3.0 and less than 3.25 upon graduation, will equal up to \$3,000 per semester for the third academic year of study, provided that the student meets all the other requirements of the NJ STARS II Program.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 3373

### STATE OF NEW JERSEY 213th LEGISLATURE

DATED: DECEMBER 22, 2008

#### SUMMARY

- Synopsis:** Revises the NJ STARS and NJ STARS II Programs.
- Type of Impact:** Possible reduction in General Fund expenditures.
- Agencies Affected:** Public institutions of higher education; Higher Education Student Assistance Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate	Indeterminate	Indeterminate

- Assembly Bill No. 3373 (1R) of 2008 makes a number of revisions to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) Program and the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program. The Office of Legislative Services (OLS) estimates that the impact of those revisions, changes in program eligibility, will be to reduce the pool of potential scholarship recipients under NJ STARS and NJ STARS II and consequently may decrease State and institutional costs in the short term. However, if increasing numbers of eligible students who graduate in the top 15 percent of their high school class determine to take advantage of the NJ STARS Program and as county college tuition and fee costs rise over time, State costs to support the program may begin to increase over the long term.
- The requirement imposed under the bill that an NJ STARS student achieve a cumulative grade point average of at least 3.25 upon graduation from a county college in order to be eligible to participate in NJ STARS II and the establishment of a fixed scholarship amount under NJ STARS II will act to reduce in the short term the State and institutional costs to support the NJ STARS II Program. Again, if increasing numbers of students determine to take advantage of NJ STARS and subsequently move on to NJ STARS II, State and institutional costs may begin to increase in the long term.

- The bill revises the NJ STARS II Program to provide that institutions of higher education will pay a maximum of \$3,500 per academic year for each NJ STARS II student enrolled. This change will decrease the amount of financial support that each institution is required to provide on a per student basis. However, the decrease in the per student cost may be offset by an increase in the number of students who enroll under NJ STARS II in upcoming fiscal years.

## **BILL DESCRIPTION**

Assembly Bill No. 3373 (1R) of 2008 makes a number of revisions to the NJ STARS and NJ STARS II Programs. In the case of the NJ STARS Program, the major changes that are associated with the bill's fiscal impact include the following:

1) to be eligible for the NJ STARS Program a high school student must graduate in the top 15.0 percent of the class as opposed to the current 20 percent requirement, and the student must also have completed a rigorous high school course of study in accordance with standards established by the Commission on Higher Education in consultation with the Commissioner of Education;

2) upon notice from the Higher Education Student Assistance Authority in the senior year of high school of a student's conditional eligibility for the NJ STARS Program, a student who wishes to pursue final eligibility for the program must take a college placement test to determine the student's readiness for college-level coursework. If the test indicates that the student needs remediation prior to undertaking course work for credit at the college level, then the student will have the responsibility to address the identified deficiencies during senior year through such means as the student determines, which may include enrolling in remedial classes at a county college; and

3) if upon graduation from high school a student meets the eligibility criteria for the NJ STARS Program but is still not able to demonstrate the skills necessary to pursue courses for credit at a county college, the student will not receive an NJ STARS scholarship until that ability is demonstrated. The student will have one year from the September 1 following the date of graduation to demonstrate that ability, and if at the end of that one-year period is not able to do so, then the student will lose eligibility for the program. If however, during or by the end of the one-year period the student demonstrates the required proficiency, the student will then be eligible for an NJ STARS scholarship for five semesters.

In the case of the NJ STARS II Program, the major changes that are associated with the bill's fiscal impact include the following:

1) to be eligible for NJ STARS II, an NJ STARS student must graduate from the county college with a cumulative grade point average of at least 3.25. Under current law an NJ STARS student is only required to attain a 3.0 grade point average in order to be eligible for the NJ STARS II Program;

2) to establish initial eligibility for the NJ STARS II Program a student's family income must be less than \$250,000;

3) the NJ STARS II scholarship will only cover tuition, except that in the case of a student who is eligible for a Tuition Aid Grant the scholarship will cover tuition and fees. Under current law the total amount of tuition and fees is covered for all students under the program following the application of all other available forms of State and federal need-based grants and merit scholarships;

4) the amount of the scholarship awarded will be dependent upon the student's grade point average. For the third academic year of study at a four-year public institution of higher

education, if the student attained a cumulative grade point average upon graduation from a county college that is equal to or greater than 3.25 and less than 3.50 the student will be eligible for a scholarship of up to \$3,000 per semester; and if the student attained a cumulative grade point average equal to or greater than 3.50, the student will be eligible for a scholarship of up to \$3,500 per semester. For the fourth academic year of study, the amount of the scholarship will be dependent upon the student's grade point average during the third academic year of study; and

5) the cost of an NJ STARS II scholarship will be paid 50 percent by the State and 50 percent by the public institution of higher education. Any cost of attendance that is not covered by the scholarship or other available forms of grants and scholarships will be paid by the student.

The bill provides that in the case of a student who is receiving an NJ STARS scholarship on the bill's effective date, that student will remain eligible for an NJ STARS scholarship in accordance with the program's current criteria. However, such a student who is in the first year of county college enrollment will need at least a 3.25 cumulative grade point average upon graduation from a county college in order to qualify for the NJ STARS II Program. A student who is in the second year of county college enrollment will only need to meet the current GPA requirement of 3.0 in order to qualify for NJ STARS II.

In the case of a student who is receiving an NJ STARS II scholarship on the bill's effective date, that student will remain eligible for an NJ STARS II scholarship in accordance with the program's current criteria.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS estimates that the fiscal impact of Assembly Bill No. 3373 (1R) may be to decrease State costs by an indeterminate amount in the short term. The bill makes a number of revisions to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) and the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Programs that impact upon the potential pool of scholarship recipients and therefore the State and institutional costs of the programs.

The Higher Education Student Assistance Authority (HESAA) has indicated that as of November 2008, 3,914 students were enrolled under the NJ STARS Program, with \$9.6 million appropriated to support NJ STARS scholarships in FY 2009. For Fall 2007, the most recent fiscal year for which final data is available, \$4.8 million was expended to fund 3,110 NJ STARS scholarships at the county colleges, which represented a State cost of approximately \$1,600 per student. The bill changes the class rank threshold a student must meet to be eligible for an NJ STARS scholarship from the top 20 percent of the student's high school graduating class to the top 15 percent and requires that the student demonstrate the ability to undertake college level coursework. While the new class rank threshold and student remediation requirements may decrease the student population eligible for NJ STARS and consequently reduce the number of NJ STARS scholarships, reduced State costs to support the NJ STARS Program may be offset if increasing numbers of eligible students who graduate in the top 15 percent of their high school

class determine to take advantage of the NJ STARS Program. Also, as county college tuition and fees costs increase over the long term, so will the State cost to fund each NJ STARS student.

The HESAA has indicated that as of November 2008, 1,167 students were enrolled under the NJ STARS II Program, with \$5.1 million appropriated in FY 2009 to support NJ STARS II scholarships. Under current law, four year-public institutions of higher education will receive State support of \$2,148 per semester or approximately \$4,300 annually for each student enrolled under the NJ STARS II Program in FY 2009. Any additional cost of the scholarship is paid by the institution. In FY 2008, the four-year public institutions of higher education estimated that they spent over \$3 million to support the program.

The bill revises the NJ STARS II Program to provide that scholarships of up to \$3,500 per semester would be provided for each NJ STARS II student subject to the prior application of other grants and scholarships against tuition costs and if applicable, fees. The scholarships will be paid 50 percent by the State and 50 percent by the institutions. The scholarships will finance only tuition as opposed to current tuition and fee support, except in the case of Tuition Aid Grant (TAG) recipients who will receive support for both tuition and fees. A student enrolled under the NJ STARS II Program will pay all other costs of attendance.

When compared to current law, the bill would reduce the annualized State cost to support an NJ STARS II student from an estimated \$4,300 in FY 2009 to \$3,500 in FY 2010. However the decrease in the per student expenditure may be offset by an increase in the NJ STARS II student population as HESAA has indicated that as of November 2008, 3,914 students were enrolled under NJ STARS, which is approximately 1,000 students more than were previously estimated for FY 2009. Beyond FY 2009, if increasing numbers of eligible students determine to take advantage of NJ STARS and subsequently move on to NJ STARS II, State and institutional costs may begin to increase in the long term. However, the costs will be less than they would have been without this bill.

The OLS is not able to estimate the cost of, or any potential savings to, the NJ STARS and NJ STARS II Programs in future fiscal years due to a lack of information on how increasing tuition and fee costs at institutions of higher education and the recent economic climate will impact student enrollment patterns in the future.

*Section: Education*  
*Analyst: Osomo Thomas*  
*Senior Fiscal Analyst*  
*Approved: David J. Rosen*  
*Legislative Budget and Finance Officer*

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.

**SENATE, No. 2373**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED NOVEMBER 24, 2008

**Sponsored by:**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**Senator M. TERESA RUIZ**

**District 29 (Essex and Union)**

**Senator CHRISTOPHER "KIP" BATEMAN**

**District 16 (Morris and Somerset)**

**SYNOPSIS**

Revises the NJ STARS and NJ STARS II Programs.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 11/25/2008)**



1 AN ACT concerning the NJ STARS and NJ STARS II Programs and  
2 amending and supplementing P.L.2004, c.59 and P.L.2005,  
3 c.359.

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

7  
8 1. Section 5 of P.L.2004, c.59 (C.18A:71B-85) is amended to  
9 read as follows:

10 5. a. A scholarship under the NJ STARS Program shall cover  
11 the full cost of tuition and fees, subject to the prior application of  
12 other grants and scholarships against those costs as provided under  
13 paragraph (2) of subsection c. of this section, for up to **[15]** 18  
14 credit hours in any semester, for an eligible student enrolled in a  
15 full-time course of study at the New Jersey county college serving  
16 the student's county of residence. An otherwise eligible student  
17 who demonstrates to the authority, in accordance with such criteria  
18 and by means of such documentation as the authority shall establish  
19 by regulation, that the county college serving the student's county of  
20 residence does not offer the curriculum that the student chooses to  
21 study shall be eligible for such scholarship at another New Jersey  
22 county college offering that curriculum. The amount of any  
23 scholarship allowed hereunder to a student at a county college  
24 serving a county other than the student's county of residence shall  
25 be computed as though the student were a resident of the county  
26 served by that college, and the college shall likewise compute the  
27 amount of any additional payment, required with respect to the  
28 enrollment of that student for credit hours of study during a  
29 semester in which the scholarship is awarded that are not covered  
30 by that scholarship, as though the student were a resident of the  
31 county.

32 b. A student shall be eligible for a scholarship under the NJ  
33 STARS Program for up to five semesters, including summer  
34 sessions. The scholarship shall be payable for the first year of  
35 enrollment in a county college to a student who:

36 (1) graduated in the top **[20%]** 15.0% of the student's high  
37 school graduating class, provided that in the case of students  
38 graduating from high schools that do not calculate the class rank of  
39 their students, the student's ranking shall be determined by the high  
40 school in consultation with the authority; and

41 (2) completed a rigorous high school course of study in  
42 accordance with standards established by the Commission on  
43 Higher Education in consultation with the Commissioner of  
44 Education.

**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.

1 During a student's enrollment in a county college after the first  
2 year of enrollment, the scholarship shall be payable to that student  
3 if the student attains a grade point average of at least 3.0 by the  
4 start of the student's second year of county college enrollment. A  
5 student who attains a grade point average of less than 3.0 at the start  
6 of the second semester of the student's first year of county college  
7 enrollment shall participate in an enrichment program designed by  
8 the county college during the second semester of the student's first  
9 year of enrollment.

10 c. To be eligible to receive a scholarship under the NJ STARS  
11 Program a student shall:

12 (1) be a State resident pursuant to guidelines established by the  
13 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
14 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
15 dependent child of a parent or guardian who has been transferred to  
16 a military installation located in this State shall be considered a  
17 resident of this State for the purposes of qualifying for an NJ  
18 STARS scholarship;

19 (2) have applied for all other available forms of State and  
20 federal need-based grants and merit scholarships, exclusive of  
21 loans, the full amount of which grants and scholarships shall be  
22 applied to tuition and fee charges to reduce the amount of any  
23 scholarship that the student shall receive under the provisions of  
24 this act;

25 (3) except as otherwise provided pursuant to subsection a. of  
26 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
27 this bill), be enrolled in a full-time course of study at a New Jersey  
28 county college;

29 (4) have graduated from high school in 2004 or later, and not  
30 earlier than the calendar year two years prior to the first calendar  
31 year in which a scholarship payment is to be made; and

32 (5) except as otherwise provided pursuant to subsection a. of  
33 section 3 of P.L. , c. (C. ) (pending before the Legislature as  
34 this bill), maintain continuous enrollment in a full-time course of  
35 study, unless on medical leave due to the illness of the student or a  
36 member of the student's immediate family or emergency leave  
37 because of a family emergency, which medical or emergency leave  
38 shall have been approved by the county college, or unless called to  
39 partial or full mobilization for State or federal active duty as a  
40 member of the National Guard or a Reserve component of the  
41 Armed Forces of the United States.

42 d. A student who is dismissed for academic or disciplinary  
43 reasons from a county college shall no longer be eligible for a  
44 scholarship under this act. If a student participating in the program  
45 is dismissed for disciplinary reasons, the student shall repay in full  
46 all amounts received under the program. The county college shall  
47 be responsible for collecting the repayment, or the amount of any  
48 overpayment or other improper payment, of any State awards under

1 the program, in accordance with the provisions of N.J.S.18A:71B-  
2 10.

3 e. A student scholarship under the NJ STARS Program may be  
4 renewed upon the student's filing of a renewal financial aid  
5 application and providing evidence that the student has satisfied the  
6 requirements pursuant to subsection b. of this section.  
7 (cf: P.L.2007, c.214, s.1)

8  
9 2. (New section) a. Upon notice from the authority in a  
10 student's senior year of high school of conditional eligibility for the  
11 NJ STARS Program, a student who determines to pursue final  
12 eligibility for the program shall take a college placement test to  
13 determine readiness for college-level coursework. The test shall be  
14 selected by the New Jersey Council of County Colleges and  
15 administered by the county college of the county in which the  
16 student's school district is located at no cost to the student or the  
17 school district. A county college may enter into an agreement with  
18 the school district to administer the test at the high school or other  
19 selected site within the district.

20 b. A county college shall notify any student who does not  
21 achieve the required score on the placement test that the student  
22 requires remediation prior to pursuing county college coursework  
23 for credit under the NJ STARS Program. The student shall have the  
24 responsibility to address the identified deficiencies through such  
25 means as the student determines, including enrollment in remedial  
26 classes at the county college during the senior year of high school.

27 c. Upon graduation from high school, if a student meets the  
28 eligibility criteria for receipt of an NJ STARS scholarship but is not  
29 able to demonstrate the skill levels required to pursue courses for  
30 credit at a county college, the student shall not receive an NJ  
31 STARS scholarship until that ability is demonstrated. The student  
32 shall have one year from the September 1 next following the date of  
33 high school graduation to demonstrate such ability, and if at the end  
34 of the one-year period the student continues to require remediation,  
35 then the student shall lose eligibility for the NJ STARS Program. If  
36 during or at the end of the one-year period the student demonstrates  
37 the required ability, then the student shall be eligible for an NJ  
38 STARS scholarship for five semesters.

39  
40 3. (New section) a. A student who receives an NJ STARS  
41 scholarship shall be eligible to take less than 12 credits in the final  
42 semester if the county college determines that the student needs to  
43 complete less than 12 credits in that semester to complete the  
44 degree program.

45 b. In the case of a student who is enrolled in an associate  
46 degree program regularly requiring six semesters, the student shall  
47 not receive an NJ STARS scholarship for the sixth semester but  
48 shall maintain eligibility for the New Jersey Student Tuition

1 Assistance Reward Scholarship II (NJ STARS II) Program  
2 established pursuant to P.L.2005, c.359 (C.18A:71B-86.1 et seq.),  
3 provided that the student meets the requirements for receipt of an  
4 NJ STARS II scholarship.

5  
6 4. (New section) A student who is eligible for an NJ STARS  
7 scholarship who earned college credits while enrolled in high  
8 school may submit to the county college a transcript from the  
9 institution of higher education that awarded the credits. If the  
10 county college determines that the student's coursework is  
11 equivalent to that offered by the county college, then the county  
12 college shall apply the credits toward the award of the student's  
13 associate degree under the NJ STARS Program.

14  
15 5. (New section) In the case of a student who is receiving a  
16 scholarship under the NJ STARS Program on the effective date of  
17 P.L. , c. (C. ) (pending before the Legislature as this bill), the  
18 scholarship shall be administered and the student shall remain  
19 eligible for the program in accordance with the provisions of  
20 P.L.2004, c.59 (C.18A:71B-81 et seq.) as the same read before the  
21 effective date of P.L. , c. (C. ) (pending before the Legislature  
22 as this bill); except that a student who is in the first year of county  
23 college enrollment shall be required to attain a 3.25 cumulative  
24 grade point average upon graduation from a county college in order  
25 to qualify for the New Jersey Student Tuition Assistance Reward  
26 Scholarship II (NJ STARS II) Program and a student who is in the  
27 second year of county college enrollment shall be required to attain  
28 a 3.0 cumulative grade point average upon graduation from a  
29 county college to qualify for NJ STARS II.

30  
31 6. Section 4 of P.L.2005, c.359 (C.18A:71B-86.4) is amended  
32 to read as follows:

33 4. a. For A scholarship under the NJ STARS II Program  
34 shall be applied toward the cost of tuition or in the case of a student  
35 who receives a Tuition Aid Grant toward the cost of tuition and  
36 fees, subject to the prior application of other grants and scholarships  
37 against such costs as provided under paragraph (2) of subsection e.  
38 of this section, for an eligible student enrolled in a full-time course  
39 of study at a New Jersey four-year public institution of higher  
40 education[, a scholarship under the NJ STARS II Program shall be  
41 paid to the institution in the amount of \$2,000 for each semester of  
42 enrollment commencing in the 2006-2007 academic year. For each  
43 academic year thereafter, the amount of the scholarship shall be  
44 increased by one-half of the average percentage increase over the  
45 prior academic year in undergraduate tuition and fees for all four-  
46 year public institutions of higher education and shall be paid to the  
47 institution for each semester of enrollment in that academic year;  
48 except that the amount of the scholarship shall not exceed \$2,500

1 per semester. The scholarship amount awarded shall be in addition  
2 to any other State and federal need-based grants and merit  
3 scholarships to which the student is entitled. The four-year public  
4 institution of higher education shall waive or provide an  
5 institutional scholarship for any tuition and fee amount for the  
6 student, for up to 18 credits, that exceeds the sum of the NJ STARS  
7 II scholarship and any other State and federal grants and  
8 scholarships to which the student is entitled. The institution shall  
9 not be required to waive or provide an institutional scholarship for  
10 tuition and fees for credits in excess of 18 credit hours in any single  
11 semester] . In the case of a student with a grade point average  
12 equal to or greater than 3.25 and less than 3.50, the scholarship  
13 shall equal up to \$3,000 per semester, and in the case of a student  
14 with a grade point average equal to or greater than 3.50, the  
15 scholarship shall equal up to \$3,500 per semester. The cost of a  
16 scholarship shall be paid 50% by the State and 50% by the public  
17 institution of higher education. Any cost of attendance that is not  
18 covered by the NJ STARS II scholarship or other available forms of  
19 grants and scholarships shall be paid by the student.

20 b. A student shall be eligible for a scholarship under the NJ  
21 STARS II Program for up to four semesters, excluding summer  
22 sessions, at a New Jersey four-year public institution of higher  
23 education.

24 c. A student shall be eligible to receive a scholarship under the  
25 NJ STARS II Program for the student's third academic year of study  
26 if the student: has an annual family income, both taxable and non-  
27 taxable, as derived from the Free Application for Federal Student  
28 Aid (FAFSA) for the academic year, of less than \$250,000; attained  
29 an associate's degree from a New Jersey county college; except as  
30 otherwise provided pursuant to subsection c. of section 2 and  
31 subsection b. of section 3 of P.L. , c. (C. ) (pending before the  
32 Legislature as this bill), received a scholarship under the "New  
33 Jersey Student Tuition Assistance Reward Scholarship (NJ STARS)  
34 Program Act," P.L.2004, c.59 (C.18A:71B-81 et seq.), for each  
35 semester of study in the county college, or was eligible for but did  
36 not receive a scholarship under NJ STARS because the student's  
37 tuition and fees were fully covered by other State or federal need-  
38 based grants or merit scholarships, or was eligible for but did not  
39 receive a scholarship under NJ STARS because the student was  
40 enrolled while a high school student in county college courses and  
41 received an associate's degree in accordance with a joint program  
42 offered by the student's school district and a county college; attains  
43 a cumulative grade point average of at least [3.0 for the second  
44 academic year of study in the] 3.25 upon graduation from county  
45 college; enrolls in a baccalaureate degree program at a New Jersey  
46 four-year public institution of higher education for the third  
47 academic year of study in the academic year immediately following  
48 the student's attainment of an associate's degree; and meets the

1 criteria set forth in subsection e. of this section. A grade for credits  
2 earned during a summer semester shall for the purposes of this  
3 subsection be included in the calculation of the cumulative grade  
4 point average ~~【for the preceding academic year】~~ . The amount of  
5 the scholarship awarded for the third academic year of study shall  
6 be based on the student's cumulative grade point average upon  
7 graduation from the county college in accordance with the  
8 provisions of subsection a. of this section.

9 d. A student shall be eligible to receive a scholarship under the  
10 NJ STARS II Program for the student's fourth academic year of  
11 study if the student: received a scholarship under the NJ STARS II  
12 Program for the student's third academic year of study pursuant to  
13 subsection c. of this section; based on the student's performance  
14 during the third academic year of study, attained a grade point  
15 average of at least ~~【3.0】~~ 3.25; and meets the criteria set forth in  
16 subsection e. of this section. A grade for credits earned during a  
17 summer semester shall for the purposes of this subsection be  
18 included in the calculation of the grade point average for the  
19 preceding academic year. The amount of the scholarship awarded  
20 for the fourth academic year of study shall be based on the student's  
21 grade point average during the third academic year of study in  
22 accordance with the provisions of subsection a. of this section.

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

25 (1) be a State resident pursuant to guidelines established by the  
26 authority. Notwithstanding the provisions of section 1 of P.L.1979,  
27 c.361 (C.18A:62-4) or any other section of law to the contrary, a  
28 dependent child of a parent or guardian who has been transferred to  
29 a military installation located in this State shall be considered a  
30 resident of this State for the purposes of qualifying for an NJ  
31 STARS II scholarship;

32 (2) have applied for all other available forms of State and  
33 federal need-based grants and merit scholarships, exclusive of  
34 loans, the full amount of which grants and scholarships shall be  
35 applied to tuition, and fee charges if applicable, to reduce the  
36 amount of any scholarship that the student shall receive under the  
37 provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.);

38 (3) be enrolled in a full-time course of study at a four-year  
39 public institution of higher education; and

40 (4) maintain continuous enrollment in a full-time course of  
41 study, unless on medical leave due to the illness of the student or a  
42 member of the student's immediate family or emergency leave  
43 because of a family emergency, which medical or emergency leave  
44 shall have been approved by the four-year public institution of  
45 higher education, or unless called to partial or full mobilization for  
46 State or federal active duty as a member of the National Guard or a  
47 Reserve component of the Armed Forces of the United States.

1 f. A student who is dismissed for academic or disciplinary  
2 reasons from a four-year public institution of higher education shall  
3 no longer be eligible for a scholarship under this act. If a student  
4 participating in the program is dismissed for disciplinary reasons,  
5 the student shall repay in full all amounts received under the  
6 program. The four-year public institution of higher education shall  
7 be responsible for collecting the repayment, or the amount of any  
8 overpayment or other improper payment, of any State awards under  
9 the program, in accordance with the provisions of N.J.S.18A:71B-  
10 10.

11 g. A student scholarship under the NJ STARS II Program may  
12 be renewed upon the student's filing of a renewal financial aid  
13 application and providing evidence that the student has satisfied the  
14 requirements pursuant to this section.  
15 (cf: P. L. 2007, c.214, s.2)

16  
17 7. Section 5 of P.L.2005, c.359 (C.18A:71B-86.5) is amended  
18 to read as follows:

19 5. **[A four-year public institution of higher education shall**  
20 **accept all]** The policies and procedures set forth in the Statewide  
21 transfer agreement established pursuant to P.L.2007, c.175  
22 (C.18A:62-46 et seq.) shall govern the transfer of academic credits  
23 awarded by a county college to an NJ STARS student who  
24 subsequently enrolls in**[the]** a four-year public institution of higher  
25 education and is participating in the NJ STARS II Program at the  
26 institution.  
27 (cf: P.L.2005, c.359, s.5)

28  
29 8. Section 7 of P.L.2005, c.359 (C.18A:71B-86.7) is amended  
30 to read as follows:

31 7. Nothing in this act shall be construed to require a four-year  
32 public institution of higher education to admit a student eligible for  
33 a scholarship under this act or to waive its admission standards and  
34 application procedures; except that the institution shall apply the  
35 same admission standards and application procedures that it applies  
36 to all other transfer students.  
37 (cf: P.L.2005, c.359, s.7)

38  
39 9. (New section) In the case of a student who is receiving a  
40 scholarship under the NJ STARS II Program and is in the third  
41 academic year of study at a public institution of higher education on  
42 the effective date of P.L. , c. (C. ) (pending before the  
43 Legislature as this bill), the scholarship shall be administered and  
44 the student shall remain eligible for the program in accordance with  
45 the provisions of P.L.2005, c.359 (C.18A:71B-86.1 et seq.) as the  
46 same read before the effective date of P.L. , c. (C. ) (pending  
47 before the Legislature as this bill).

1        10. This act shall take effect immediately and shall first be  
2 applicable to the 2009-2010 academic year.

3

4

5

STATEMENT

6

7        This bill makes a number of revisions to the NJ STARS and NJ  
8 STARS II Programs. In the case of the NJ STARS Program, the  
9 major changes include the following:

10        1) to be eligible for the NJ STARS Program a high school  
11 student must graduate in the top 15.0% of the class as opposed to  
12 the current 20% requirement, and the student must also have  
13 completed a rigorous high school course of study in accordance  
14 with standards established by the Commission on Higher Education  
15 in consultation with the Commissioner of Education;

16        2) a dependent child of a parent or guardian who has been  
17 transferred to a military installation located in the State will be  
18 considered a State resident for the purposes of qualifying for an NJ  
19 STARS scholarship. This same change is made under the NJ  
20 STARS II Program;

21        3) upon notice from the Higher Education Student Assistance  
22 Authority in the senior year of high school of a student's  
23 conditional eligibility for the NJ STARS Program, a student who  
24 wishes to pursue final eligibility for the program must take a  
25 college placement test to determine the student's readiness for  
26 college-level coursework. The test will be administered by the  
27 county college of the county in which the student's school district is  
28 located, at no cost to the student or school district. If the county  
29 college notifies a student that the test indicates the student needs  
30 remediation prior to undertaking course work for credit at the  
31 college level, then the student will have the responsibility to address  
32 the identified deficiencies during senior year through such means as  
33 the student determines, which may include enrolling in remedial  
34 classes at a county college;

35        4) if upon graduation from high school a student meets the  
36 eligibility criteria for the NJ STARS Program but is still not able to  
37 demonstrate the skills necessary to pursue courses for credit at a  
38 county college, the student will not receive an NJ STARS  
39 scholarship until that ability is demonstrated. The student will have  
40 one year from the September 1 following the date of graduation to  
41 demonstrate that ability, and if at the end of that one-year period is  
42 not able to do so, then the student will lose eligibility for the  
43 program. If however, during or by the end of the one-year period  
44 the student demonstrates the required proficiency, the student will  
45 then be eligible for an NJ STARS scholarship for five semesters;

46        5) increases the number of credits per semester covered by an  
47 NJ STARS scholarship from 15 to 18;



1       6) allows a scholarship student to take less than 12 credits in  
2 the final semester of scholarship eligibility, if the county college  
3 determines that the student needs to complete less than 12 credits to  
4 complete the degree program; and

5       7) establishes a procedure for the county college acceptance of  
6 college credits earned by an NJ STARS student while still in high  
7 school and the application of those credits toward an associate  
8 degree under the program.

9       In the case of the NJ STARS II Program, the major changes  
10 include the following:

11       1) to be eligible for NJ STARS II, an NJ STARS student must  
12 graduate from the county college with a cumulative grade point  
13 average of 3.25. Under current law an NJ STARS student is only  
14 required to attain a 3.0 grade point average in order to be eligible  
15 for the NJ STARS II Program;

16       2) to establish initial eligibility for the NJ STARS II Program a  
17 student's family income must be less than \$250,000;

18       3) the NJ STARS II scholarship will only cover tuition, except  
19 that in the case of a student who is eligible for a Tuition Aid Grant  
20 the scholarship will cover tuition and fees. Under current law the  
21 total amount of tuition and fees is covered for all students under the  
22 program following the application of all other available forms of  
23 State and federal need-based grants and merit scholarships;

24       4) the amount of the scholarship awarded will be dependent  
25 upon the student's grade point average. For the third academic year  
26 of study at a four-year public institution of higher education, if the  
27 student attained a cumulative grade point average upon graduation  
28 from a county college that is equal to or greater than 3.25 and less  
29 than 3.50 the student will be eligible for a scholarship of up to  
30 \$3,000 per semester; and if the student attained a cumulative grade  
31 point average equal to or greater than 3.50, the student will be  
32 eligible for a scholarship of up to \$3,500 per semester. For the  
33 fourth academic year of study, the amount of the scholarship will be  
34 dependent upon the student's grade point average during the third  
35 academic year of study;

36       5) the cost of an NJ STARS II scholarship will be paid 50% by  
37 the State and 50% by the public institution of higher education.  
38 Any cost of attendance that is not covered by the scholarship or  
39 other available forms of grants and scholarships will be paid by the  
40 student; and

41       6) eligibility for the NJ STARS II Program is extended to a  
42 student who was eligible for NJ STARS but did not receive a  
43 scholarship under that program because the student earned an  
44 associate degree while enrolled in high school under a joint  
45 program offered by the student's school district and a county  
46 college.

47       The bill provides that in the case of a student who is receiving an  
48 NJ STARS scholarship on the bill's effective date, that student will

1 remain eligible for an NJ STARS scholarship in accordance with  
2 the program's current criteria. However, such a student who is in  
3 the first year of county college enrollment will need at least a 3.25  
4 cumulative grade point average upon graduation from a county  
5 college in order to qualify for the NJ STARS II Program. A student  
6 who is in the second year of county college enrollment will only  
7 need to meet the current GPA requirement of 3.0 in order to qualify  
8 for NJ STARS II.

9 In the case of a student who is receiving an NJ STARS II  
10 scholarship on the bill's effective date, that student will remain  
11 eligible for an NJ STARS II scholarship in accordance with the  
12 program's current criteria

# SENATE EDUCATION COMMITTEE

## STATEMENT TO

### **SENATE, No. 2373**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: DECEMBER 8, 2008

The Senate Education Committee favorably reports Senate Bill No. 2373 with committee amendments.

As amended, this bill makes a number of revisions to the NJ STARS and NJ STARS II Programs. In the case of the NJ STARS Program, the major changes include the following:

1) to be eligible for the NJ STARS Program a high school student must graduate in the top 15.0% of the class as opposed to the current 20% requirement, and the student must also have completed a rigorous high school course of study in accordance with standards established by the Commission on Higher Education in consultation with the Commissioner of Education;

2) a dependent child of a parent or guardian who has been transferred to a military installation located in the State will be considered a State resident for the purposes of qualifying for an NJ STARS scholarship. This same change is made under the NJ STARS II Program;

3) upon notice from the Higher Education Student Assistance Authority in the senior year of high school of a student's conditional eligibility for the NJ STARS Program, a student who wishes to pursue final eligibility for the program must take a college placement test to determine the student's readiness for college-level coursework. The test will be administered by the county college of the county in which the student's school district is located, at no cost to the student or school district. If the county college notifies a student that the test indicates the student needs remediation prior to undertaking course work for credit at the college level, then the student will have the responsibility to address the identified deficiencies during senior year through such means as the student determines, which may include enrolling in remedial classes at a county college;

4) if upon graduation from high school a student meets the eligibility criteria for the NJ STARS Program but is still not able to demonstrate the skills necessary to pursue courses for credit at a county college, the student will not receive an NJ STARS scholarship until that ability is demonstrated. The student will have one year from the September 1 following the date of graduation to demonstrate that

ability, and if at the end of that one-year period is not able to do so, then the student will lose eligibility for the program. If however, during or by the end of the one-year period the student demonstrates the required proficiency, the student will then be eligible for an NJ STARS scholarship for five semesters;

5) increases the number of credits per semester covered by an NJ STARS scholarship from 15 to 18;

6) allows a scholarship student to take less than 12 credits in the final semester of scholarship eligibility, if the county college determines that the student needs to complete less than 12 credits to complete the degree program; and

7) establishes a procedure for the county college acceptance of college credits earned by an NJ STARS student while still in high school and the application of those credits toward an associate degree under the program.

In the case of the NJ STARS II Program, the major changes include the following:

1) to be eligible for NJ STARS II, an NJ STARS student must graduate from the county college with a cumulative grade point average of 3.25. Under current law an NJ STARS student is only required to attain a 3.0 grade point average in order to be eligible for the NJ STARS II Program;

2) to establish initial eligibility for the NJ STARS II Program a student's family income must be less than \$250,000;

3) the NJ STARS II scholarship will only cover tuition, except that in the case of a student who is eligible for a Tuition Aid Grant the scholarship will cover tuition and fees. Under current law the total amount of tuition and fees is covered for all students under the program following the application of all other available forms of State and federal need-based grants and merit scholarships;

4) the amount of the scholarship awarded will be dependent upon the student's grade point average. For the third academic year of study at a four-year public institution of higher education, if the student attained a cumulative grade point average upon graduation from a county college that is equal to or greater than 3.25 and less than 3.50 the student will be eligible for a scholarship of up to \$3,000 per semester; and if the student attained a cumulative grade point average equal to or greater than 3.50, the student will be eligible for a scholarship of up to \$3,500 per semester. For the fourth academic year of study, the amount of the scholarship will be dependent upon the student's grade point average during the third academic year of study;

5) the cost of an NJ STARS II scholarship will be paid 50% by the State and 50% by the public institution of higher education. Any cost of attendance that is not covered by the scholarship or other available forms of grants and scholarships will be paid by the student; and

6) eligibility for the NJ STARS II Program is extended to a student who was eligible for NJ STARS but did not receive a scholarship under that program because the student earned an associate degree while enrolled in high school under a joint program offered by the student's school district and a county college.

The bill provides that in the case of a student who is receiving an NJ STARS scholarship on the bill's effective date, that student will remain eligible for an NJ STARS scholarship in accordance with the program's current criteria. However, such a student who is in the first year of county college enrollment will need at least a 3.25 cumulative grade point average upon graduation from a county college in order to qualify for the NJ STARS II Program. A student who is in the second year of county college enrollment will only need to meet the current GPA requirement of 3.0 in order to qualify for NJ STARS II.

In the case of a student who is receiving an NJ STARS II scholarship on the bill's effective date, that student will remain eligible for an NJ STARS II scholarship in accordance with the program's current criteria.

The committee amended the bill to clarify that the amount of the scholarship that an NJ STARS I recipient, who is in the second year of county college enrollment on the effective date of the bill and who attains a cumulative grade point average equal to or greater than 3.0 and less than 3.25 upon graduation, will equal up to \$3,000 per semester for the third academic year of study, provided that the student meets all the other requirements of the NJ STARS II Program.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2373

### STATE OF NEW JERSEY 213th LEGISLATURE

DATED: DECEMBER 22, 2008

#### SUMMARY

- Synopsis:** Revises the NJ STARS and NJ STARS II Programs.
- Type of Impact:** Possible reduction in General Fund expenditures.
- Agencies Affected:** Public institutions of higher education; Higher Education Student Assistance Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	Indeterminate	Indeterminate	Indeterminate

- Senate Bill No. 2373 (1R) of 2008 makes a number of revisions to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) Program and the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Program. The Office of Legislative Services (OLS) estimates that the impact of those revisions, changes in program eligibility, will be to reduce the pool of potential scholarship recipients under NJ STARS and NJ STARS II and consequently may decrease State and institutional costs in the short term. However, if increasing numbers of eligible students who graduate in the top 15 percent of their high school class determine to take advantage of the NJ STARS Program and as county college tuition and fee costs rise over time, State costs to support the program may begin to increase over the long term.
- The requirement imposed under the bill that an NJ STARS student achieve a cumulative grade point average of at least 3.25 upon graduation from a county college in order to be eligible to participate in NJ STARS II and the establishment of a fixed scholarship amount under NJ STARS II will act to reduce in the short term the State and institutional costs to support the NJ STARS II Program. Again, if increasing numbers of students determine to take advantage of NJ STARS and subsequently move on to NJ STARS II, State and institutional costs may begin to increase in the long term.

- The bill revises the NJ STARS II Program to provide that institutions of higher education will pay a maximum of \$3,500 per academic year for each NJ STARS II student enrolled. This change will decrease the amount of financial support that each institution is required to provide on a per student basis. However, the decrease in the per student cost may be offset by an increase in the number of students who enroll under NJ STARS II in upcoming fiscal years.

## **BILL DESCRIPTION**

Senate Bill No. 2373 (1R) of 2008 makes a number of revisions to the NJ STARS and NJ STARS II Programs. In the case of the NJ STARS Program, the major changes that are associated with the bill's fiscal impact include the following:

1) to be eligible for the NJ STARS Program a high school student must graduate in the top 15.0 percent of the class as opposed to the current 20 percent requirement, and the student must also have completed a rigorous high school course of study in accordance with standards established by the Commission on Higher Education in consultation with the Commissioner of Education;

2) upon notice from the Higher Education Student Assistance Authority in the senior year of high school of a student's conditional eligibility for the NJ STARS Program, a student who wishes to pursue final eligibility for the program must take a college placement test to determine the student's readiness for college-level coursework. If the test indicates that the student needs remediation prior to undertaking course work for credit at the college level, then the student will have the responsibility to address the identified deficiencies during senior year through such means as the student determines, which may include enrolling in remedial classes at a county college; and

3) if upon graduation from high school a student meets the eligibility criteria for the NJ STARS Program but is still not able to demonstrate the skills necessary to pursue courses for credit at a county college, the student will not receive an NJ STARS scholarship until that ability is demonstrated. The student will have one year from the September 1 following the date of graduation to demonstrate that ability, and if at the end of that one-year period is not able to do so, then the student will lose eligibility for the program. If however, during or by the end of the one-year period the student demonstrates the required proficiency, the student will then be eligible for an NJ STARS scholarship for five semesters.

In the case of the NJ STARS II Program, the major changes that are associated with the bill's fiscal impact include the following:

1) to be eligible for NJ STARS II, an NJ STARS student must graduate from the county college with a cumulative grade point average of at least 3.25. Under current law an NJ STARS student is only required to attain a 3.0 grade point average in order to be eligible for the NJ STARS II Program;

2) to establish initial eligibility for the NJ STARS II Program a student's family income must be less than \$250,000;

3) the NJ STARS II scholarship will only cover tuition, except that in the case of a student who is eligible for a Tuition Aid Grant the scholarship will cover tuition and fees. Under current law the total amount of tuition and fees is covered for all students under the program following the application of all other available forms of State and federal need-based grants and merit scholarships;

4) the amount of the scholarship awarded will be dependent upon the student's grade point average. For the third academic year of study at a four-year public institution of higher

education, if the student attained a cumulative grade point average upon graduation from a county college that is equal to or greater than 3.25 and less than 3.50 the student will be eligible for a scholarship of up to \$3,000 per semester; and if the student attained a cumulative grade point average equal to or greater than 3.50, the student will be eligible for a scholarship of up to \$3,500 per semester. For the fourth academic year of study, the amount of the scholarship will be dependent upon the student's grade point average during the third academic year of study; and

5) the cost of an NJ STARS II scholarship will be paid 50 percent by the State and 50 percent by the public institution of higher education. Any cost of attendance that is not covered by the scholarship or other available forms of grants and scholarships will be paid by the student.

The bill provides that in the case of a student who is receiving an NJ STARS scholarship on the bill's effective date, that student will remain eligible for an NJ STARS scholarship in accordance with the program's current criteria. However, such a student who is in the first year of county college enrollment will need at least a 3.25 cumulative grade point average upon graduation from a county college in order to qualify for the NJ STARS II Program. A student who is in the second year of county college enrollment will only need to meet the current GPA requirement of 3.0 in order to qualify for NJ STARS II.

In the case of a student who is receiving an NJ STARS II scholarship on the bill's effective date, that student will remain eligible for an NJ STARS II scholarship in accordance with the program's current criteria.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS estimates that the fiscal impact of Senate Bill No. 2373 (1R) may be to decrease State costs by an indeterminate amount in the short term. The bill makes a number of revisions to the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS) and the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II) Programs that impact upon the potential pool of scholarship recipients and therefore the State and institutional costs of the programs.

The Higher Education Student Assistance Authority (HESAA) has indicated that as of November 2008, 3,914 students were enrolled under the NJ STARS Program, with \$9.6 million appropriated to support NJ STARS scholarships in FY 2009. For Fall 2007, the most recent fiscal year for which final data is available, \$4.8 million was expended to fund 3,110 NJ STARS scholarships at the county colleges, which represented a State cost of approximately \$1,600 per student. The bill changes the class rank threshold a student must meet to be eligible for an NJ STARS scholarship from the top 20 percent of the student's high school graduating class to the top 15 percent and requires that the student demonstrate the ability to undertake college level coursework. While the new class rank threshold and student remediation requirements may decrease the student population eligible for NJ STARS and consequently reduce the number of NJ STARS scholarships, reduced State costs to support the NJ STARS Program may be offset if increasing numbers of eligible students who graduate in the top 15 percent of their high school



class determine to take advantage of the NJ STARS Program. Also, as county college tuition and fees costs increase over the long term, so will the State cost to fund each NJ STARS student.

The HESAA has indicated that as of November 2008, 1,167 students were enrolled under the NJ STARS II Program, with \$5.1 million appropriated in FY 2009 to support NJ STARS II scholarships. Under current law, four year-public institutions of higher education will receive State support of \$2,148 per semester or approximately \$4,300 annually for each student enrolled under the NJ STARS II Program in FY 2009. Any additional cost of the scholarship is paid by the institution. In FY 2008, the four-year public institutions of higher education estimated that they spent over \$3 million to support the program.

The bill revises the NJ STARS II Program to provide that scholarships of up to \$3,500 per semester would be provided for each NJ STARS II student subject to the prior application of other grants and scholarships against tuition costs and if applicable, fees. The scholarships will be paid 50 percent by the State and 50 percent by the institutions. The scholarships will finance only tuition as opposed to current tuition and fee support, except in the case of Tuition Aid Grant (TAG) recipients who will receive support for both tuition and fees. A student enrolled under the NJ STARS II Program will pay all other costs of attendance.

When compared to current law, the bill would reduce the annualized State cost to support an NJ STARS II student from an estimated \$4,300 in FY 2009 to \$3,500 in FY 2010. However the decrease in the per student expenditure may be offset by an increase in the NJ STARS II student population as HESAA has indicated that as of November 2008, 3,914 students were enrolled under NJ STARS, which is approximately 1,000 students more than were previously estimated for FY 2009. Beyond FY 2009, if increasing numbers of eligible students determine to take advantage of NJ STARS and subsequently move on to NJ STARS II, State and institutional costs may begin to increase in the long term. However the costs will be less than they would have been without this bill.

The OLS is not able to estimate the cost of, or any potential savings to, the NJ STARS and NJ STARS II Programs in future fiscal years due to a lack of information on how increasing tuition and fee costs at institutions of higher education and the recent economic climate will impact student enrollment patterns in the future.

*Section: Education*  
*Analyst: Osomo Thomas*  
*Senior Fiscal Analyst*  
*Approved: David J. Rosen*  
*Legislative Budget and Finance Officer*

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-1 et seq.).