

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3319

# STATE OF NEW JERSEY

DATED: JANUARY 4, 2024

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3319.

This bill establishes in the Department of Education a three-year Innovation Dual Enrollment II Pilot Program. The purpose of the program is to offer participating students in grades nine through 12 a guided start to postsecondary coursework, through the provision of targeted supports and low-cost courses in which students may simultaneously earn high school and college credits.

Under the bill, the Commissioner of Education is required to select districts representing each of the southern, central, and northern regions of the State to participate in the program. The commissioner is required to select districts impacted substantially by the COVID-19 public health crisis which have a high proportion of economically disadvantaged students. The commissioner is to provide a grant to each of the pilot districts to finance costs associated with offering the pilot program, including the cost of tuition charged to the district under the bill.

The bill requires a school district that wants to participate in the pilot program to submit an application to the commissioner. The application may include (1) a partnership agreement with an institution of higher education which includes a commitment from the institution of higher education to apply any enrolled student's credits; (2) a commitment from the school district to apply any credits earned by the students in the Innovation Dual Enrollment II Pilot Program towards the student's secondary school graduation requirements; (3) a commitment from the school district to provide student support and counseling services necessary to ensure the academic success of participating students; (4) a commitment from the school district to provide free transportation to any courses on the college campus, as needed; and (5) a commitment from the school district to provide program and student data, disaggregated by demographic subgroups, to the department including, but not limited to, data on program enrollment, student completion, college credit attainment, student grades, and post-program college entrance rates.

Under the bill, a school district selected to participate in the pilot program is to require participating students to: (1) enroll in no less than one academic credit at the postsecondary level, and no more than 15

academic credits at the postsecondary level, in each semester; and (2) maintain a 2.0 grade point average for the student's secondary and postsecondary coursework in order to continue participation in the program.

The bill requires an institution of higher education that enters into a partnership agreement with a participating school to provide a program of six or more academic credits in each semester. The program is to offer students an opportunity to earn academic credits directly applicable to a credential or degree awarded by the institution of higher education. The institution is required to waive student fees and charge the partnering district no more than \$100 per academic credit for each participating student. The institution is to provide reports each semester to the district, at a minimum, on the academic progress of the district's students enrolled in the program.

Also under the bill, a public institution of higher education is required to accept and apply towards an applicable degree program all credits earned by a student during the pilot program established pursuant to this section, in accordance with the institution's credit transfer policies. An independent institution of higher education may accept the credits earned by a student during the pilot program established pursuant to this section.

The bill also requires the commissioner to submit a report to the Governor and the Legislature. The report is to contain information on the implementation of the pilot program and is to include, but not be limited to, the commissioner's recommendation on the feasibility of implementing the program on a Statewide basis.

Finally, the bill establishes a non-lapsing fund known as the Innovation Dual Enrollment II Fund. All monies annually appropriated by the Legislature and any other monies made available for the purposes of the program are required to be deposited in the fund. Monies deposited in the fund are to be available for the duration of the Innovation Dual Enrollment II Pilot Program and are to be used by the Department of Education to provide funding for the program. The bill requires the department to, in collaboration with the Office of the Secretary of Higher Education, determine allowable uses for funds prior to accepting applications to participate in the program, and is required to describe the allowable uses in a Notice of Grant Opportunity. The department is to, in collaboration with the office, prioritize pilot program investments in school districts that partner with New Jersey institutions of higher education.

FISCAL IMPACT:

The OLS finds that this bill would lead to an indeterminate annual increase in State expenditures over the three-year duration of the Innovation Dual Enrollment II Pilot Program, including the cost of grants to be provided to participating school districts. The pilot program

would be funded through the Innovation Dual Enrollment II fund established under the bill which is funded through annual appropriations by the Legislature. The increase in State expenditures for these grants would correspond with a revenue gain for participating school districts. These school districts, in turn, would use these grants to finance the costs associated with offering the pilot program, including the cost of tuition charged by public institutions of higher education that participate in the pilot program.

These partnering public institutions of higher education will experience a revenue increase as they are permitted to charge up to \$100 per academic credit for each participating student. Their costs will increase under the pilot program to provide coursework to the participating students. The magnitude of these expenditure and revenue increases will depend on the number of students enrolling in the program and the amount of credits taken. Since the bill requires students to take no more than 15 credits and institutions to charge no more than \$100 per credit, costs per participating student will not exceed \$1,500 per semester.

The bill may also lead to an indeterminate but marginal cost increase for the Department of Education associated with the requirement for it to submit a comprehensive report to the Governor and Legislature on the implementation of the pilot program. This bill may also lead to an indeterminate but marginal cost increase for public institutions of higher education associated with the requirement for participating colleges and universities to provide quarterly progress reports to local school districts. The magnitude of these expenditure increases would be dependent on the extent to which existing staff and resources are sufficient for the Department of Education to develop a program report.

Furthermore, the bill may lead to future indeterminate revenue losses for public institutions of higher education if participating students matriculate to one of these institutions since the bill requires public institutions of higher education to recognize earned credits under the pilot program towards applicable degree programs.

Finally, the bill would result in an indeterminate increase in expenditures for local school districts. The increase in expenditures would be associated with stipulations in the bill that require each school participating in the pilot program to provide free transportation to any courses held on the college campus. These expenditures would be dependent on the distance of the college campus from the school and the base cost of transportation services.