

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3319
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JANUARY 8, 2024

SUMMARY

Synopsis: Establishes “Twelfth Grade Postsecondary Transition Year Pilot Program” in Department of Education.

Type of Impact: Three-year State expenditure increase; three-year revenue and expenditure increase for school districts; three-year revenue and expenditure increase for public institutions of higher education.

Agencies Affected: Department of Education; participating school districts; participating institutions of higher education.

Office of Legislative Services Estimate

Fiscal Impact	<u>Three-Year Duration of Pilot Program</u>
State Cost Increase	Indeterminate
School District Revenue Increase	Indeterminate
School District Cost Increase	Indeterminate
Revenue Increases for Public Institutions of Higher Education	Indeterminate
Expenditure Increases for Public Institutions of Higher Education	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would lead to an indeterminate annual increase in State expenditures over the three-year duration of the Twelfth Grade Postsecondary Transition Year Pilot Program, including the cost of grants to be provided to participating school districts.
- 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 revenue and expenditure increases noted above will be contingent on the number of students enrolling in the pilot program and the number of academic credits taken.

BILL DESCRIPTION

This bill establishes in the Department of Education a three-year Twelfth Grade Postsecondary Transition Year Pilot Program. The purpose of the pilot program is to offer participating grade 12 students with a guided start to postsecondary coursework, through the provision of targeted supports and no-cost courses. The Department of Education is tasked with selecting two districts from each region of the State to receive grant funding to cover tuition costs associated with enrollment. Districts are to be selected with a focus on areas with substantial COVID-19 impacts, high proportions of economically disadvantaged students, and low college enrollment rates among recent graduates.

School districts selected to participate in the program are to ensure that grade 12 students enrolled in the pilot program take no less than six and no more than 15 academic credits each semester while maintaining a minimum 2.0 GPA. Institutions of higher education which partner with school districts through the program are required to offer students at least six academic credits per semester, waive student fees, charge a maximum of \$100 per academic credit for each participant, and provide quarterly progress reports to the district. The bill requires public institutions of higher education to recognize earned credits towards applicable degree programs, with independent institutions of higher education having the option to accept these credits.

Finally, the department is to submit a comprehensive report to the Governor and Legislature at the pilot program's conclusion, detailing its implementation and recommending its potential Statewide adoption.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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

Finally, the bill may lead to future indeterminate revenue losses to 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.

Section: Education

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).