

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 5420

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MAY 25, 2023

#### SUMMARY

**Synopsis:** Establishes New Jersey Student Educator Stipend Program.

**Type of Impact:** Annual State expenditure increase from the General Fund.

**Agencies Affected:** Higher Education Student Assistance Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Annual</u></b>
<b>State Cost Increase</b>	Up to \$43.0 million

- The Office of Legislative Services (OLS) estimates that this bill would result in an annual State expenditure increase of up to \$43.0 million associated with providing stipends to students in educator preparation programs for the duration of their clinical practice.

#### BILL DESCRIPTION

This bill establishes the New Jersey Educator Stipend Program in the Higher Education Student Assistance Authority to provide stipends to eligible students for each semester of full-time clinical practice, commonly referred to as “student teaching,” completed by the student. The bill provides that a student is to be awarded a stipend of up to \$7,200 per semester for a maximum of two academic semesters.

The bill defines an eligible student as a student who is completing a required clinical practice in the State through a certificate of eligibility with advanced standing educator preparation program at an institution of higher education. Additionally, an eligible student is required to be: a resident of the State; enrolled full-time; and a United States citizen, permanent resident alien, or any student eligible to complete the New Jersey Alternative Financial Aid Application. The bill permits the Higher Education Student Assistance Authority to increase the maximum stipend amount to include a cost of living adjustment. The bill also permits the authority to limit eligibility

to students seeking degrees in math, science, special education, world languages, bilingual education, or other subjects determined to be in high demand for educators.

The bill directs the Higher Education Student Assistance Authority to establish an application process within 90 days of enactment and to make the application available no later than the first day of the fourth month following the bill's effective date. The bill also directs the authority to annually collect data to measure the effectiveness of the program.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

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

The OLS estimates that this bill would result in an annual State expenditure increase of up to \$43.0 million associated with providing stipends to students in educator preparation programs for the duration of their clinical practice.

The bill stipulates that stipends would be awarded to students enrolled in certificate of eligibility with advanced standing educator preparation programs at institutions of higher education in the State. Data from the New Jersey Performance Reports for Educator Preparation shows that, in 2021, a total of 2,966 students completed one of these educator preparation programs. Assuming that each of these students completed a full year of clinical practice in the State and received the maximum stipend amount in each semester, the cost of providing stipends to these students would be \$42.7 million.

Additionally, there may be a marginal cost increase for the Higher Education Student Assistance Authority associated with establishing the application process, administering the stipends, and collecting data required under the bill, to the extent that existing staff and resources are not sufficient to effectuate the provisions of the bill.

The OLS notes that the FY 2024 Governor's Budget includes a recommended appropriation of \$10 million for Student Teacher Stipends, which would provide \$3,000 stipends to students in educator preparation programs for the completion of a full year of clinical practice.

*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.).