

**HIGHER EDUCATION**

**EDUCATIONAL OPPORTUNITY FUND**

EOF Authority, Mission and Scope, and

Undergraduate EOF Academic and Financial Eligibility

Proposed Amendments: N.J.A.C. 9A:11-2.6 and 3.4

Authorized By: Educational Opportunity Fund Board of Directors, Dr. Hasani Carter, Acting

EOF Executive Director

Authority: N.J.S. A. 18A:71-28 et seq. and 18 A:71-33 through 36

Calendar Reference: See summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2018-076

Submit written comments by November 3, 2018 to:

Dr. Hasani Carter

Acting EOF Executive Director

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The agency proposal follows:

## Summary

The Educational Opportunity Fund (EOF) program provides students from educationally and economically disadvantaged backgrounds with financial aid and other support services while attending participating New Jersey colleges and universities. The program is a collaborative effort. Under the general supervision of the Secretary of Higher Education, the EOF Board of Directors (EOF Board) administers the program and the participating institutions directly serve students.

Working with participating institutions, the EOF Board maintains a Statewide system to identify and recruit potential college students from backgrounds of historical poverty, develops eligibility criteria for EOF financial assistance based on students' income and their potential for success in college, establishes procedures to determine the amount of the academic year grants according to the total financial need of each student; and advises on the development, organization, and coordination of a wide range of educational support and enrichment activities.

New language is proposed at N.J.A.C. 9A:11-2.6 (a) undergraduate grant amounts and N.J.A.C. 9A: 11-3.4(a) graduate grant amounts that will require the Board to annually base the amount of the maximum semester and academic year Article III undergraduate and graduate grant awards on the fiscal year appropriation, and have the EOF Executive Director inform institutions of the amount of the grants each summer through a public notice published in the New Jersey Register and on the Office of the Secretary of Higher Education's website.

With the addition of a new sub-section "a", what is currently considered N.J.A.C. 9A:11-2.6(a) through (c) and N.J.AC. 9A:11-3.4(a) through (c) is recodified as N.J.A.C. 9A:11-2.6 (b) – (d.) and N.J.A.C. 9A:11-3.4(b) - (d). Proposed for deletion from the rules are N.J.A.C. 9A:11-2.6(d) and 9A:11-3.4(d). An amendment is proposed at N.J.A.C.9A:11-2.6 (e) that will establish

the minimum semester undergraduate grant amount as no less than \$100. In N.J.A.C. 9A:11-3.4 (e), new language is proposed that will establish the minimum semester graduate grant amount as no less than \$100. Additionally, in the second sentence of N.J.A.C. 9A11-3.4(e) the phrase “in (d) above” is proposed for deletion.

As the EOF Board has provided a 60-day comment period on this notice of proposal, this notice is exempt from the rulemaking calendar requirement at N.J.A.C. 1:30-3.3(a)5.

### **Social Impact**

EOF students come from every county in New Jersey. They have generally lived and attended high school in neighborhoods characterized by depressed economic conditions, substandard educational services, and unequal opportunities. Approximately 60 percent of total EOF enrollment comes from the State’s most distressed municipalities (communities that have been designated “labor surplus areas” by the New Jersey Department of Labor and Workforce Development and the U.S. Bureau of Labor Statistics). The vast majority of EOF students spend their elementary and secondary school years in public school districts that by all objective measures fail to provide the level of educational preparation required for success in the more demanding curricula and challenging majors of our colleges and universities. The proposed amendments to the undergraduate and graduate grant amount regulations will make it possible to implement changes to the amount of the EOF students’ grants annually, based on the fiscal year appropriation act. Should the fiscal year appropriation contain sufficient resources to increase the amount of the undergraduate and graduate grants, students will no longer have to wait for the completion of the State’s regulatory process to learn if they will receive additional resources to help them address college affordability.

### **Economic Impact**

The ability to annually establish the maximum amount of the EOF undergraduate and graduate student grant award amounts based on the fiscal year appropriation will align the management of the EOF Article III funds with the annual appropriation process. This will reduce the amount of time required to implement changes in the students' grant amounts. Notifying the public annually of the maximum EOF grant award amounts after the fiscal year appropriation act is signed by June 30<sup>th</sup>, via publication in the New Jersey Register and on the Office of the Secretary of Higher Education's website will provide students, as well as, college and university financial aid officers with a consistent timeline for the notification of annual grant award amounts. This process will improve the college and university's ability to develop a financial aid package for EOF students that helps them reduce their cost of college attendance.

### **Federal Standards Statement**

The proposed amendments do not require a Federal standards analysis under Executive Order No. 27 (1994) and N.J.S.A. 52:14B-22 et seq. because EOF was established by New Jersey legislation, is wholly supported by State appropriations, and is not subject to any Federal requirements or standards.

### **Jobs Impact**

The proposed amendments will not result in the generation or loss of any jobs.

### **Agriculture Industry Impact**

The proposed amendments have no impact on the agriculture industry.

### **Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the proposed amendments to the rules do not impose requirements on small businesses as defined by the Regulatory Flexibility

Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments to the rules pertain strictly to public and publicly funded independent colleges and universities in New Jersey, none of which qualify as a small business as they employ more than 100 employees.

### **Housing Affordability Impact Analysis**

The proposed amendments do not require a housing affordability analysis because the rules govern how the EOF Board will annually inform the public of the amounts of the EOF undergraduate and graduate grant awards.

### **Smart Growth Development Impact Analysis**

The Office of the Secretary of Higher Education staff believes there is an extreme unlikelihood that the proposed amendments to the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan because the rules govern how the EOF Board will annually inform the public of the amounts of the EOF undergraduate and graduate grant awards.

### **Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Office of the Secretary of Higher Education/Educational Opportunity Fund has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposal follows (additions are indicated in boldface **thus**; deletions are indicated in brackets [thus]):

**(a) Based on the fiscal year EOF Article III appropriation, the Board will annually develop the amount of the maximum semester and academic year Article III undergraduate grants award ranges, for full and part-time student grants, for each sector of higher education. The EOF Executive Director shall inform institutions of the amount of the maximum semester academic year grant each summer through a public notice published in the New Jersey Register and on the Office of the Secretary of Higher Education’s website.**

[(a)] **(b)**(No change.)

[(b)] **(c)** (No change.)

[(c)] **(d)** (No change.)

[(d) The Board shall annually the review the State grant amounts for EOF students and make adjustments, if necessary. The minimum and maximum semester and maximum academic year award ranges for full- and part-time Article III undergraduate student grants for each sector of higher education follows:

	Semester	Semester	Academic Year
<u>Undergraduate</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Maximum</u>
<u>Community Colleges</u>			
Full-time	\$100.00	\$575.00	\$1,150.00
Part-time:			
6-8 credits	\$100.00	\$288.00	\$ 576.00
9-11 credits	\$100.00	\$431.00	\$862.00
<u>State Colleges and Universities</u>			
<u>Commuter</u>			
Full-time	\$100.00	\$625.00	\$1,250.00
Part-time:			

6-8 credits	\$100.00	\$313.00	\$626.00
9-11 credits	\$100.00	\$469.00	\$938.00
<u>Residential</u>			
Full-time	\$100.00	\$750.00	\$1,500.00
Part-time:			
6-8 credits	\$100.00	\$450.00	\$900.00
9-11 credits	\$100.00	\$600.00	\$1,200.00
<u>Public Research Universities</u>			
<u>Commuter</u>			
Full-time	\$100.00	\$625.00	\$1,250.00
Part-time:			
6-8 credits	\$100.00	\$313.00	\$626.00
9-11 credits	\$100.00	\$469.00	\$938.00
<u>Residential</u>			
Full-time	\$100.00	\$750.00	\$1,500.00
Part-time:			
6-8 credits	\$100.00	\$450.00	\$900.00
9-11 credits	\$100.00	\$600.00	\$1,200.00
<u>Independent Colleges</u>			
Full-time	\$100.00	\$1,300.00	\$2,600.00
Part-time:			
6-8 credits	\$100.00	\$650.00	\$1,300.00
9-11 credits	\$100.00	\$975.00	\$1,950.00]

**(e) The minimum semester grant amount shall not be less than \$100.**

#### 9A:11-3.4 Grant Amounts

**(a) Based on the fiscal year EOF Article III appropriation, the Board will annually develop the amount of the maximum semester and academic year Article III graduate grants award ranges, for each sector of higher education. The EOF**

**Executive Director shall inform institutions of the amount of the maximum semester academic year grant each summer through a public notice published in the New Jersey Register and on the Office of the Secretary of Higher Education’s website.**

[(a)] **(b)** (No change.)

[(b)] **(c)** (No change.)

[(c)] **(d)** (No change.)

[(d) The Board shall annually review the State grant amounts for EOF students and make adjustments, if necessary. The minimum and maximum semester and maximum academic year award ranges for Article III graduate grants for each sector of higher education follows.

	Semester	Semester	Academic Year
Graduate	<u>Minimum</u>	<u>Maximum</u>	<u>Maximum</u>
State Colleges and Universities	\$100.00	\$1,200.00	\$2,400.00
Independent	\$100.00	\$1,475.00	\$2,950.00
Public Research Universities	\$100.00	\$1,475.00	\$2,950.00
Biomedical and Health Sciences Schools]	\$100.00	\$2,225.00	\$4,450.00

**(e) The minimum semester grant amount shall not be less than \$100.** The awarding of all grants within the minimum and maximum semester and academic year ranges [in (d) above] shall be based upon a careful analysis of the student’s total financial situation and financial need. The neediest students shall be accorded priority

