



Association of State Colleges and Universities

The leading voice for public higher education in New Jersey.

Fact Sheet

Tuition Aid Grant (TAG) Program of the NJ Higher Education Student Assistance Authority (HESAA)

- Established by statute in 1978, the TAG Program is New Jersey's premier need-based assistance program for college students. TAG is administered by the NJ Higher Education Assistance Authority (HESAA)
- Its goal is to help keep higher education accessible and affordable for TAG-eligible, full-time undergraduates who attend public and private higher educational institutions in New Jersey. The TAG program reduces or eliminates the tuition component of the cost of attending college for students demonstrating financial need.
- In FY18, the State appropriated a total of \$425,859,000 towards TAG.
- In FY19, the State appropriated an additional \$7 million in TAG awards bringing the total to \$432,859,000.
- The structure of the TAG award table is based on a numeric New Jersey Eligibility Index (NJEI) that represents the relative dollar amount the student and family are expected to be able to contribute toward college costs, as determined through a need analysis methodology. The NJEI ranges on the award table are referred to as "cells."
- However, the distribution of TAG funds remains inequitable across institutions. The NJEI is based on, among others, which college the student attends, the student's Expected Family Contribution (EFC), and the amount of tuition charged. Though initially well-intended, this formula has allowed for structural inequity.
- Student aid, in the opinion of NJASCU, should be based on financial need and follow the student wherever he or she chooses to attend. This is a basic and foundational principle for need-based aid, as reflected by the federal Pell grant program.
- Up until four years ago, HESAA has computed TAG awards based on gross tuition rates charged by colleges. Since then, TAG awards have been increased by a percentage over the prior year. The inequity within TAG awards arose from two primary factors: (1) the shift of costs from tuition to fees within the 4-year senior public college sector, and (2) the practice of "tuition discounting" in the private sector.
- In an effort to control tuition increases at public colleges (caused by the State's defunding of public higher education), the Legislature and Governor discouraged tuition increases and, in the past, have considered imposing tuition caps upon public colleges. In response, public colleges implemented fees to offset tuition increases. Consequently, public college tuition increases were routinely less than three percent per year. However, this pressure was not applicable to independent/private colleges where tuition increases far outpaced the public college sector.
- The inequity within TAG awards is further exacerbated by the recruiting practice in the private sector known as "tuition discounting". This practice occurs when a college advertises a "retail" (or gross) tuition price, but the actual cost of attendance falls far below the advertised retail price, giving students the impression their attendance would be substantial value, and that the college is willing to go beyond other colleges to attract/enroll them. This is accomplished by offering institutional discounts, and institutional aid to attract/enroll applicants. The actual cost of attendance charged is a well-guarded secret at private colleges that widely practice tuition

discounting. Some colleges, therefore, are effectively “rewarded” for maintaining high tuition rates, allowing their students to qualify for more State funded TAG aid that, simultaneously, offsets the amount that college would have had to contribute to discount its advertised tuition. Use of State funds in this manner is contrary to public policy and an inefficient use of very limited public dollars for financial aid.

- NJASCU proposes the following amendment to the TAG formula, in order to incorporate “academic credit fees” into its eligibility index. The proposed changes (in red) to the TAG statute (N.J.S.A. 18A:71B-21) are below:

Amount of Grant; Reduction of Award.

- The amount of a tuition aid grant awarded under this article to any student attending an eligible institution shall be established by the authority, but shall not exceed the maximum amount of tuition **and mandatory academic credit fees actually** charged at a public institution of higher education for students attending that institution **during the prior academic year** or 50% of the average tuition **and mandatory academic credit fees actually** charged **students who do not receive financial aid** at the independent institutions of higher education for students attending those institutions **during the prior academic year. In no event, shall a student attending a private institution be eligible for a TAG award exceeding the highest TAG award for which that student would be eligible at a public institution.** The amount of a State tuition aid grant awarded under this act to any student attending an institution of higher education in any state other than New Jersey pursuant to this section shall not exceed \$500 in an academic year. The amount of grant to be paid for each semester or its equivalent shall be based on the financial need for the grant, as determined by standards and procedures established by the authority....

HESAA Full-time Tuition & Aid Grant (TAG) Award Table 2018-2019

NJ Eligibility Index	County Colleges* Award Average	State Colleges* Award Average	Independent Non-Public Award Value	Rutgers Award Value	Rowan Award Value	NJIT Award Value	Montclair Award Value
<1500	\$2,786	\$7,380	\$12,398	\$9,848	\$8,404	\$11,428	\$7,474
1500-2499	\$2,424	\$6,460	\$10,970	\$8,734	\$7,390	\$9,898	\$6,440
2500-3499	\$2,100	\$5,470	\$9,648	\$7,778	\$6,450	\$8,814	\$5,626
3500-4499	\$1,638	\$4,530	\$8,642	\$6,706	\$5,562	\$7,600	\$4,850
4500-5499	\$1,220	\$3,756	\$7,632	\$5,848	\$4,848	\$6,626	\$4,228
5500-6499	\$0	\$2,930	\$6,634	\$4,988	\$4,136	\$5,656	\$3,608
6500-7499		\$2,132	\$5,630	\$4,184	\$3,470	\$4,738	\$3,026
7500-8499		\$0	\$4,618	\$3,314	\$2,748	\$3,756	\$2,398
8500-9499			\$3,652	\$2,284	\$1,894	\$2,588	\$1,718
9500-10499			\$2,074	\$0	\$0	\$0	\$0
>10499			\$0				

*For county and state college sectors, this table displays projected average award values across the respective institutions in the sector

Source: State of NJ Higher Education Student Assistance Authority

January 9, 2019

www.njascu.org

*The College of New Jersey
Kean University
Montclair State University*

*New Jersey City University
Ramapo College of New Jersey
Rowan University*

*Stockton University
Thomas Edison State University
William Paterson University*