

# ASSEMBLY, No. 1619

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblywoman SHAMA A. HAIDER**

**District 37 (Bergen)**

**Co-Sponsored by:**

**Assemblywoman Reynolds-Jackson**

**SYNOPSIS**

Establishes Grow Your Own Teacher Loan Redemption Program in Higher Education Student Assistance Authority.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing the Grow Your Own Teacher Loan  
2 Redemption Program and supplementing chapter 71C of Title  
3 18A of the New Jersey Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. As used in this act:

9 “Approved course of study” means an undergraduate program  
10 leading to a bachelor's degree offered by a four-year public or  
11 independent institution of higher education; or a graduate program  
12 leading to a master's degree offered by a public or independent  
13 institution of higher education.

14 “Authority” means the Higher Education Student Assistance  
15 Authority.

16 “Department” means the Department of Education.

17 “Eligible student loan expenses” means the cumulative  
18 outstanding balance of student loans covering the cost of attendance  
19 while enrolled in an approved course of study. Interest paid or due  
20 on student loans that a program participant has taken out for use in  
21 paying the costs of attendance at an institution of higher education  
22 shall be considered eligible for reimbursement under the program.

23 “Program” means the Grow Your Own Teacher Loan  
24 Redemption Program established pursuant to this act.

25 “Program participant” means a person who has executed a  
26 contract with the authority for participation in the program.

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28 2. There is established in the Higher Education Student  
29 Assistance Authority the Grow Your Own Teacher Loan  
30 Redemption Program, the purpose of which is to encourage students  
31 who graduated high school from a school district with a shortage of  
32 teachers to return to teach in that school district. The program shall  
33 provide for the redemption of a portion of the eligible student loan  
34 expenses of a program participant for each year of full-time  
35 employment as a certified teacher in the school from which the  
36 program participant graduated high school or a district located in a  
37 jurisdiction in which the program participant has resided for more  
38 than five years, provided that the district is experiencing a shortage  
39 of teachers as determined by the Department of Education. The  
40 authority shall expend no more than \$500,000 in any State fiscal  
41 year for the purposes of implementing the program.

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43 3. To be eligible to participate in the program, an applicant  
44 shall:

45 a. be a resident of the State and maintain domicile in the State  
46 during participation in the program;

47 b. have graduated from a high school in, or resided for more  
48 than five years in the same jurisdiction as, a school district

1 designated by the department as having a shortage of teachers  
2 during the year in which the applicant submits a program  
3 application to the authority;

4 c. be hired as a certified teacher by the school district with a  
5 shortage of teachers from which the applicant shall have graduated  
6 high school; and

7 d. have an outstanding balance on a State or federal student  
8 loan and not be in default on any loan.

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10 4. An individual shall apply to the authority to participate in  
11 the program. The executive director of the authority or his designee  
12 shall select the program participants from among the applicants who  
13 meet the eligibility criteria established pursuant to section 3 of this  
14 act, subject to available funds.

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16 5. a. A person who meets the eligibility requirements under  
17 section 3 of this act and has been selected by the executive director  
18 or his designee for participation in the program shall enter into a  
19 written contract with the authority. The contract shall specify the  
20 duration of the applicant's required employment, which shall be no  
21 less than five years, and the total amount of eligible student loan  
22 expenses to be redeemed by the State in return for employment as a  
23 teacher in the school district with a shortage of teachers from which  
24 the applicant graduated high school.

25 b. A program participant who has entered into a contract with  
26 the authority shall remain eligible for loan redemption under the  
27 contract in the event that the school district from which the program  
28 participant graduated high school, and in which the teacher is  
29 employed, loses its designation as a school district with a shortage  
30 of teachers.

31 c. The redemption of loans under the program shall not exceed  
32 \$10,000 of principal and interest of eligible student loan expenses  
33 for each full year of employment by the program participant. The  
34 total loan redemption amount for a program participant, for five  
35 years of employment, shall not exceed \$50,000.

36 d. Prior to the annual redemption of loan indebtedness, the  
37 program participant shall submit to the authority certification of  
38 full-time employment in the school district.

39 e. The required period of service as a teacher shall commence on  
40 or after the effective date of this act.

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42 6. a. A program participant who has previously entered into a  
43 contract with the authority pursuant to section 5 of this act may  
44 nullify the agreement by notifying the authority in writing and  
45 reassuming full responsibility for the remaining outstanding balance  
46 of the loan debt.

47 b. In the case of a program participant's death or total and  
48 permanent disability, the authority shall nullify the employment

1 obligation of the program participant. The nullification shall  
2 terminate the authority's obligations under the loan redemption  
3 contract. When continued enforcement of the contract may result in  
4 extreme hardship, the authority may nullify or suspend the  
5 employment obligation of the program participant.

6 c. In the case of a program participant's conviction of a crime or  
7 an act of gross negligence in the performance of employment  
8 obligations, the executive director or his designee is authorized to  
9 terminate the program participant's participation in the program.

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11 7. A person who knowingly or willfully furnishes any false or  
12 misleading information for the purpose of receiving loan  
13 redemption benefits under the program is guilty of a crime of the  
14 fourth degree.

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16 8. The authority, in consultation with the department, shall  
17 adopt rules and regulations pursuant to the "Administrative  
18 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to  
19 implement the provisions of this act.

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21 9. This act shall take effect immediately.

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#### STATEMENT

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26 This bill establishes the Grow Your Own Teacher Loan  
27 Redemption Program in the Higher Education Student Assistance  
28 Authority (HESAA). The purpose of the program is to encourage  
29 students who graduated high school from a school district, or lived  
30 in a school district, with a shortage of teachers to teach in that  
31 school district.

32 Under the bill, HESAA will offer loan redemption up to \$10,000  
33 of principal and interest of eligible student loan expenses for each  
34 full year of employment by the program participant. The total loan  
35 redemption amount for a program participant, for five years of  
36 employment, will not exceed \$50,000. HESAA will not spend more  
37 than \$500,000 for program implementation in any State fiscal year.

38 To be eligible to participate in the program, an applicant is  
39 required to: be a resident of the State and maintain domicile in the  
40 State during participation in the program; have previously  
41 graduated high school in a school district designated by the  
42 Department of Education as having a shortage of teachers during  
43 the year in which the applicant submits a program application to  
44 HESAA; have resided in the jurisdiction in which the school district  
45 is located for more than five years; be hired as a certified teacher by  
46 the school district from which the applicant graduated high school  
47 or a school district located in a jurisdiction in which the applicant  
48 has resided for more than five years, provided that the district is

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1 experiencing a shortage of teachers as determined by the  
2 department; and have an outstanding balance on a State or federal  
3 student loan and not be in default on any loan.

4 A program participant will enter into a written contract with  
5 HESAA to participate in the program. The contract will specify the  
6 duration of the applicant's required employment, which will be no  
7 less than five years, and the total amount of eligible student loan  
8 expenses to be redeemed by the State in return for employment as a  
9 teacher in the school district.