

SENATE, No. 1275

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED FEBRUARY 25, 2014

Sponsored by:

Senator M. TERESA RUIZ

District 29 (Essex)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes loan redemption program for teachers in certain fields to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain failing schools.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/2/2014)

1 AN ACT establishing a loan redemption program for certain teachers
2 and supplementing chapter 71C of Title 18A of the New Jersey
3 Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. As used in this act:

9 “Authority” means the Higher Education Student Assistance
10 Authority established pursuant to N.J.S.18A:71A-3.

11 “Chronically failing school” means any public school that meets
12 the criteria of paragraph (1) or paragraph (2):

13 (1) among all students in that school to whom a State
14 assessment was administered, the percent of students scoring in the
15 partially proficient range in both the language arts and mathematics
16 subject areas of the State assessments exceeded 40% in each of the
17 prior two school years; or

18 (2) among all students in that school to whom a State
19 assessment was administered, the percent of students scoring in the
20 partially proficient range in either the language arts or mathematics
21 subject areas of the State assessment exceeded 65% in each of the
22 prior two school years.

23 (3) A school shall continue to be designated a chronically failing
24 school until such time that the percent of students scoring in the
25 partially proficient range in both the language arts and mathematics
26 subject areas of the State assessments is less than or equal to the
27 Statewide percent of students scoring in the partially proficient
28 range on the corresponding Statewide assessments.

29 “High-need field” means a subject area or field of expertise in
30 which there is a shortage of qualified teachers in the State as
31 determined by the Department of Education. The department shall
32 reassess its designation of high-need fields at least every five years.

33 “Program participant” means an undergraduate student borrower
34 under the New Jersey College Loans to Assist State Students
35 (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-
36 21 who, following the effective date of this act, is initially hired by
37 a school district to work as a teacher in a high-need field in a
38 chronically failing school, and who has executed a contract with the
39 authority for participation in the loan redemption program. A
40 program participant shall be a certified teacher and a resident of
41 New Jersey.

42
43 2. a. There is established in the Higher Education Student
44 Assistance Authority a loan redemption program for teachers in
45 high-need fields who are employed in chronically failing schools.
46 The program shall provide for the redemption of a portion of the
47 loans a program participant receives under the NJCLASS Loan
48 Program pursuant to article 2 of chapter 71C of Title 18A of the

1 New Jersey Statutes for service as a teacher in a high-need field in a
2 chronically failing school in New Jersey.

3 b. A program participant may redeem his NJCLASS loan
4 amounts upon execution of a contract between the program
5 participant and the authority. The contract shall be for a specified
6 number of one-year periods of service. The contract shall specify
7 the total amount of debt, up to 100%, to be redeemed by the State in
8 return for service pursuant to subsection d. of this section.

9 c. A program participant who has entered into a contract with
10 the authority shall remain eligible for loan redemption under the
11 contract in the event that:

12 (1) the public school in which the teacher is employed loses its
13 designation as a chronically failing school or the teacher is
14 transferred to a school in the district that is not a chronically failing
15 school; or

16 (2) the high-need field in which the program participant is
17 teaching pursuant to his service obligation subsequently loses its
18 designation as a high-need field, and the program participant
19 continues to teach in the same field in accordance with his
20 contractual agreement with the authority.

21 d. The redemption of loans under the loan redemption program
22 shall amount to 15% of principal and interest of a program
23 participant's NJCLASS loan amounts in return for each of the first
24 and second full years of service; 20% of principal and interest in
25 return for each of the third and fourth full years of service; and 30%
26 of principal and interest in return for the fifth full year of service.
27 Service for less than the full school year of each period of service
28 shall not entitle the program participant to any benefits under the
29 loan redemption program. Prior to the redemption of loan
30 indebtedness, a program participant shall submit to the authority
31 proof of employment.

32 e. A program participant who has entered into a redemption
33 contract with the authority may nullify his contract by submitting
34 written notification to the authority and assuming full responsibility
35 for repayment of principal and interest on the full amount of his
36 loans or that portion of the loans which has not been redeemed by
37 the State, in return for partial fulfillment of the contract.

38 f. In case of a program participant's death or total and
39 permanent disability, the authority shall nullify the service
40 obligation of the program participant. The nullification shall
41 terminate the authority's obligations under the loan redemption
42 contract. If continued enforcement of the contract may result in
43 extreme hardship, the authority may nullify or suspend the service
44 obligation of the program participant.

45
46 3. The authority, in consultation with the Department of
47 Education, shall adopt pursuant to the provisions of the
48 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.), rules and regulations necessary to effectuate the purposes of
2 this act.

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4 4. This act shall take effect immediately.

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STATEMENT

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9 This bill establishes a loan redemption program in the Higher
10 Education Student Assistance Authority (HESAA) to allow a
11 teacher to redeem a portion of his NJCLASS loan amounts for
12 service as a teacher in a high-need field in a chronically failing
13 school in New Jersey.

14 The bill defines a “chronically failing school” as any public
15 school that: (1) among all students in that school to whom a State
16 assessment was administered, the percent of students scoring in the
17 partially proficient range in both the language arts and mathematics
18 subject areas exceeded 40% in each of the prior two school years;
19 or (2) among all students in that school to whom a State assessment
20 was administered, the percent of students scoring in the partially
21 proficient range in either the language arts or mathematics subject
22 areas exceeded 65% in each of the prior two school years. The bill
23 defines a “high-need field” as a subject area or field of expertise in
24 which there is a shortage of qualified teachers in the State as
25 determined by the Department of Education.

26 Under the bill, in order to participate in the loan redemption
27 program, a person must have been an undergraduate student
28 borrower in the NJCLASS Loan Program. A participant must also
29 be a resident of New Jersey and a certified teacher who obtained
30 initial employment to teach in a high-need field in a chronically
31 failing school after the effective date of the bill. A participant in
32 the program must execute a contract with HESAA that specifies a
33 number of one-year periods of service and the total amount of debt
34 to be redeemed by the State in return for the service. The
35 redemption of loans under the program would amount to 15% of
36 principal and interest of a participant’s NJCLASS loan amounts in
37 return for each of the first and second full years of service; 20% of
38 principal and interest for each of the third and fourth full years of
39 service; and 30% of principal and interest for the fifth full year of
40 service.