ASSEMBLY, No. 2687

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Assemblyman VINCENT MAZZEO
District 2 (Atlantic)
Assemblywoman PAMELA R. LAMPITT
District 6 (Burlington and Camden)
Assemblyman WILLIAM F. MOEN, JR.
District 5 (Camden and Gloucester)

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 low performing schools.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 2/13/2020)

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

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

1. As used in this act:

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

"Chronically failing school" means any public school that meets the criteria of paragraph (1) or paragraph (2):

(1) among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not yet meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments exceeded 40 percent in each of the prior two school years; or

(2) among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not yet meeting expectations and partially meeting expectations categories in either the language arts or mathematics subject areas of the State assessment exceeded 65 percent in each of the prior two school years.

(3) A school shall continue to be designated a chronically failing school until such time that the sum of the percent of students scoring in the not yet meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments is less than or equal to the sum of the Statewide percent of students scoring in the not yet meeting expectations and partially meeting expectations categories on the corresponding Statewide assessments.

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

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

2. a. There is established in the Higher Education Student Assistance Authority a loan redemption program for teachers in

high-need fields who are employed in chronically failing schools. The program shall provide for the redemption of a portion of the loans a program participant receives under the NJCLASS Loan Program pursuant to article 2 of chapter 71C of Title 18A of the New Jersey Statutes for service as a teacher in a high-need field in a chronically failing school in New Jersey.

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

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

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

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

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

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

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

3. The authority, in consultation with the Department of Education, shall adopt pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations necessary to effectuate the purposes of this act.

4. This act shall take effect immediately.

STATEMENT

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

The bill defines a "chronically failing school" as any public school that: (1) among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not yet meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments exceeded 40 percent in each of the prior two school years; or (2) among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not yet meeting expectations and partially meeting expectations categories in either the language arts or mathematics subject areas of the State assessment exceeded 65 percent in each of the prior two school years. The bill defines a "high-need field" as a subject area or field of expertise in which there is a shortage of qualified teachers in the State as determined by the Department of Education.

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