ASSEMBLY, No. 3552

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:
Assemblywoman PAMELA R. LAMPITT
District 6 (Burlington and Camden)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.

AN ACT establishing the Grow Your Own Teacher Loan Redemption Program 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:

"Approved course of study" means an undergraduate program leading to a bachelor's degree offered by a four-year public or independent institution of higher education; or a graduate program leading to a master's degree offered by a public or independent institution of higher education.

"Authority" means the Higher Education Student Assistance Authority.

"Department" means the Department of Education.

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

"Program" means the Grow Your Own Teacher Loan Redemption Program established pursuant to this act.

"Program participant" means a person who has executed a contract with the authority for participation in the program.

2. There is established in the Higher Education Student Assistance Authority the Grow Your Own Teacher Loan Redemption Program, the purpose of which is to encourage students who graduated high school from a school district with a shortage of teachers to return to teach in that school district. The program shall provide for the redemption of a portion of the eligible student loan expenses of a program participant for each year of full-time employment as a certified teacher in the school district with a shortage of teachers, as determined by the Department of Education, from which the program participant graduated high school.

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

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

b. have graduated from a high school in a school district designated by the department as having a shortage of teachers during the year in which the applicant submits a program application to the authority;

c. have successfully completed an approved course of study within a five-year period prior to applying for the program;

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

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

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

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

b. 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 the school district from which the program participant graduated high school, and in which the teacher is employed, loses its designation as a school district with a shortage of teachers.

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

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

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

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

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

terminate the authority's obligations under the loan redemption contract. When continued enforcement of the contract may result in extreme hardship, the authority may nullify or suspend the employment obligation of the program participant.

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

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

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

9. This act shall take effect immediately.

STATEMENT

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

Under the bill, HESAA will offer loan redemption up to $10,000 of principal and interest of eligible student loan expenses for each full year of employment by the program participant. The total loan redemption amount for a program participant, for five years of employment, will not exceed $50,000. To be eligible to participate in the program, an applicant is required to: be a resident of the State and maintain domicile in the State during participation in the program; have previously graduated high school in a school district designated by the Department of Education as having a shortage of teachers during the year in which the applicant submits a program application to HESAA; have successfully completed an undergraduate or graduate program of study within a five-year period prior to applying for the program; be hired as a certified teacher by the school district with a shortage of teachers from which the applicant graduated high school; and have an outstanding balance on a State or federal student loan and not be in default on any loan.

A program participant will enter into a written contract with HESAA to participate in the program. The contract will specify the

duration of the applicant's required employment, which will be no less than five years, and the total amount of eligible student loan expenses to be redeemed by the State in return for employment as a teacher in the school district.