

Title 18A.
Subtitle 12A.
Part 3.
Article 8. (New)
High-Need Fields
Teacher
Redemption
Program
§§1-4
C.18A:71C-83 to
18A:71C-86

P.L. 2021, CHAPTER 384, *approved January 18, 2022*
Senate, No. 969 (*First Reprint*)

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:*
7
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 “Low performing school” means any public school that meets the
12 criteria of paragraph (1) or paragraph (2):
13 (1) among all students in that school to whom a State
14 assessment was administered, the sum of the percent of students
15 scoring in the not yet meeting expectations and partially meeting
16 expectations categories in both the language arts and mathematics
17 subject areas of the State assessments exceeded 40% in each of the
18 prior two school years; or
19 (2) among all students in that school to whom a State
20 assessment was administered, the sum of the percent of students
21 scoring in the not yet meeting expectations and partially meeting
22 expectations categories in either the language arts or mathematics
23 subject areas of the State assessment exceeded 65% in each of the
24 prior two school years.
25 (3) A school shall continue to be designated a low performing
26 school until such time that the sum of the percent of students
27 scoring in the not yet meeting expectations and partially meeting
28 expectations categories in both the language arts and mathematics
29 subject areas of the State assessments is less than or equal to the
30 sum of the Statewide percent of students scoring in the not yet

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
¹Senate amendments adopted in accordance with Governor's recommendations December 2, 2021.

1 meeting expectations and partially meeting expectations categories
2 on the corresponding Statewide assessments.

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

7 “Program participant” means an undergraduate student borrower
8 under the New Jersey College Loans to Assist State Students
9 (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-
10 21 who, following the effective date of this act, is initially hired by
11 a school district to work as a teacher in a high-need field in a low
12 performing school, and who has executed a contract with the
13 authority for participation in the loan redemption program. A
14 program participant shall be a certified teacher and a resident of
15 New Jersey.

16

17 2. a. There is established in the Higher Education Student
18 Assistance Authority a loan redemption program for teachers in
19 high-need fields who are employed in low performing schools. The
20 program shall provide for the redemption of a portion of the loans a
21 program participant receives under the NJCLASS Loan Program
22 pursuant to article 2 of chapter 71C of Title 18A of the New Jersey
23 Statutes for service as a teacher in a high-need field in a low
24 performing school in New Jersey. The annual amount of State
25 funds appropriated to the loan redemption program shall not exceed
26 \$1,000,000. The authority shall notify the Legislature when the
27 funds have been fully expended or committed.

28 b. A program participant may redeem his NJCLASS loan
29 amounts upon execution of a contract between the program
30 participant and the authority. The contract shall be for ¹‘[a specified
31 number of] up to four¹ one-year periods of service. The contract
32 shall specify the total amount of debt, up to 100%, to be redeemed
33 by the State in return for service pursuant to subsection d. of this
34 section.

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

38 (1) the public school in which the teacher is employed loses its
39 designation as a low performing school or the teacher is transferred
40 to a school in the district that is not a low performing school; or

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

46 d. The redemption of loans under the loan redemption program
47 shall amount to ¹‘[15%] 25%¹ of principal and interest of a program
48 participant’s NJCLASS loan amounts ¹, up to \$5,000.¹ in return for

1 each ¹【of the first and second full years of service; 20% of principal
2 and interest in return for each of the third and fourth full years of
3 service; and 30% of principal and interest in return for the fifth】
4 consecutive¹ full year of service. ¹The total amount of NJCLASS
5 loan amounts which may be redeemed under the program by a
6 program participant, for four full school years of service, shall not
7 exceed \$20,000.¹ Service for less than the full school year of each
8 period of service shall not entitle the program participant to any
9 benefits under the loan redemption program. Prior to the
10 redemption of loan indebtedness, a program participant shall submit
11 to the authority proof of employment.

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

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

25 g. The authority shall advertise the availability of the program
26 and engage in outreach activities with potential participants.

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28 3. The authority shall annually submit a report on the program
29 to the Governor, and to the Legislature pursuant to section 2 of
30 P.L.1991, c.164 (C.52:14-19.1). The report shall be submitted no
31 later than July 1 of each year and shall include, but not be limited
32 to, information on: the total number of program participants; the
33 number of program participants entering the program in that year; a
34 profile of the program participants, including demographic
35 information, the school district in which the participant is employed
36 and the school in which the participant teaches, and the institution
37 of higher education from which the participant received a degree;
38 the average annual loan redemption amount and the ¹【five-year】
39 four-year¹ average loan redemption amount of program
40 participants; the number of applicants who were denied acceptance
41 into the program, including the number who were denied due to a
42 lack of program funding; the amount of the annual program
43 appropriation that is applied to loan redemption payments for
44 participants; the amount of the annual program appropriation that is
45 used to compensate bondholders due to bond modification
46 including, but not limited to, interest loss over the life of the loans;

1 and the amount of the annual appropriation used to administer the
2 program.

3

4 ¹4. There is annually appropriated from the General Fund to the
5 Higher Education Student Assistance Authority a sum of
6 \$1,000,000 for costs associated with loan redemption pursuant to
7 section 2 of this act.¹

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9 ¹[4.] 5.¹ The authority, in consultation with the Department of
10 Education, shall adopt pursuant to the provisions of the
11 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
12 1 et seq.), rules and regulations necessary to effectuate the purposes
13 of this act.

14

15 ¹[5.] 6.¹ This act shall take effect immediately.

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19

20 Establishes loan redemption program for certain teachers to
21 redeem loan amounts received under New Jersey College Loans to
22 Assist State Students Loan Program through employment in certain
23 schools; makes annual appropriation of \$1 million.