

SENATE, No. 969

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JANUARY 27, 2020

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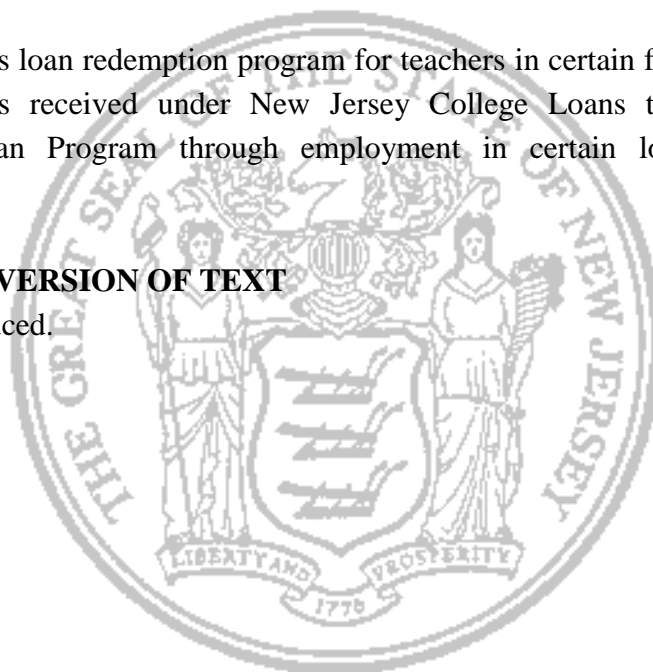
**Senators Brown, Pou, Assemblywomen Reynolds-Jackson, Jimenez,
Assemblyman Tully, Assemblywomen Swain, Vainieri Huttle and Jasey**

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: 6/24/2021)

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
31 meeting expectations and partially meeting expectations categories
32 on the corresponding Statewide assessments.

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

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

46
47 2. a. There is established in the Higher Education Student
48 Assistance Authority a loan redemption program for teachers in

1 high-need fields who are employed in low performing schools. The
2 program shall provide for the redemption of a portion of the loans a
3 program participant receives under the NJCLASS Loan Program
4 pursuant to article 2 of chapter 71C of Title 18A of the New Jersey
5 Statutes for service as a teacher in a high-need field in a low
6 performing school in New Jersey. The annual amount of State funds
7 appropriated to the loan redemption program shall not exceed
8 \$1,000,000. The authority shall notify the Legislature when the
9 funds have been fully expended or committed.

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

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

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

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

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

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

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

1 extreme hardship, the authority may nullify or suspend the service
2 obligation of the program participant

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

5
6 3. The authority shall annually submit a report on the program
7 to the Governor, and to the Legislature pursuant to section 2 of
8 P.L.1991, c.164 (C.52:14-19.1). The report shall be submitted no
9 later than July 1 of each year and shall include, but not be limited
10 to, information on: the total number of program participants; the
11 number of program participants entering the program in that year; a
12 profile of the program participants, including demographic
13 information, the school district in which the participant is employed
14 and the school in which the participant teaches, and the institution
15 of higher education from which the participant received a degree;
16 the average annual loan redemption amount and the five-year
17 average loan redemption amount of program participants; the
18 number of applicants who were denied acceptance into the program,
19 including the number who were denied due to a lack of program
20 funding; the amount of the annual program appropriation that is
21 applied to loan redemption payments for participants; the amount of
22 the annual program appropriation that is used to compensate
23 bondholders due to bond modification including, but not limited to,
24 interest loss over the life of the loans; and the amount of the annual
25 appropriation used to administer the program.

26
27 4. The authority, in consultation with the Department of
28 Education, shall adopt pursuant to the provisions of the
29 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-
30 1 et seq.), rules and regulations necessary to effectuate the purposes
31 of this act.

32
33 5. This act shall take effect immediately.

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STATEMENT

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

42 The bill defines a “low performing school” as any public school
43 that: (1) among all students in that school to whom a State assessment
44 was administered, the sum of the percent of students scoring in the not
45 yet meeting expectations and partially meeting expectations categories
46 in both the language arts and mathematics subject areas of the State
47 assessments exceeded 40% in each of the prior two school years; or (2)
48 among all students in that school to whom a State assessment was

1 administered, the sum of the percent of students scoring in the not yet
2 meeting expectations and partially meeting expectations categories in
3 either the language arts or mathematics subject areas of the State
4 assessment exceeded 65% in each of the prior two school years. The
5 bill defines a “high-need field” as a subject area or field of expertise in
6 which there is a shortage of qualified teachers in the State as
7 determined by the Department of Education.

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

22 The annual amount of State funds appropriated to the loan
23 redemption program will not exceed \$1,000,000.

24 Under the bill, the authority will submit an annual report to the
25 Governor and Legislature on the program. The bill specifies the
26 information to be included in the report.