

SENATE, No. 1181

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 3, 2020

Sponsored by:

Senator NILSA CRUZ-PEREZ

District 5 (Camden and Gloucester)

SYNOPSIS

Establishes “Succeed in New Jersey” student loan reimbursement program for certain New Jersey residents employed in designated fields.

CURRENT VERSION OF TEXT

As introduced.



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

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

7
8 1. a. There is established the “Succeed in New Jersey” student
9 loan reimbursement program within the Higher Education Student
10 Assistance Authority. The purpose of the program is to alleviate
11 the burden of student loan debt for recent college graduates who are
12 residents of New Jersey and are employed in certain fields
13 designated by the Department of Labor and Workforce
14 Development pursuant to section 2 of this act.

15 b. The program shall provide loan reimbursement awards to
16 eligible applicants who have an outstanding student loan balance
17 under a federal or New Jersey student loan program. To be eligible
18 for loan reimbursement under the program, an applicant shall:

19 (1) be a resident of New Jersey and have resided in the State for
20 a period of at least 3 months immediately prior to applying for the
21 program;

22 (2) be a United States citizen or eligible noncitizen, as
23 determined under 20 U.S.C. s.1091;

24 (3) have earned an undergraduate degree from an institution of
25 higher education located in the United States in or after December
26 2014;

27 (4) apply for the program within four years of obtaining an
28 undergraduate degree;

29 (5) have an outstanding student loan balance under a federal or
30 New Jersey student loan program;

31 (6) be employed in a field designated by the Department of
32 Labor and Workforce Development pursuant to section 2 of this act,
33 and maintain a primary work location in New Jersey; and

34 (7) have an income that does not exceed 500 percent of the most
35 recent federal poverty guidelines.

36 c. The amount of a loan reimbursement award for an eligible
37 applicant shall be determined pursuant to section 3 of this act, and
38 shall be used to reimburse the applicant for a portion of his student
39 loan payments under a federal or New Jersey student loan program
40 for a maximum period of three years.

41
42 2. a. The Department of Labor and Workforce Development
43 shall designate up to five fields of employment that qualify an
44 eligible applicant for student loan reimbursement under the
45 “Succeed in New Jersey” program. Each designated field shall
46 meet at least one of the following criteria:

47 (1) the field currently has an unmet workforce need in the State;
48 or

1 (2) the field provides a public good or benefit to the citizens of
2 the State and is a low wage field.

3 b. Every three years, the Department of Labor and Workforce
4 Development shall conduct a reassessment of its designated fields
5 of employment under the criteria of subsection a. of this section.
6 Based on the reassessment, the department may determine to
7 maintain or change its designation of eligible fields under the
8 “Succeed in New Jersey” program.

9
10 3. a. An eligible applicant may receive loan reimbursement
11 under the “Succeed in New Jersey” program for a maximum period
12 of three years. The amount of a loan reimbursement award for an
13 eligible applicant shall be determined in accordance with the
14 following:

15 (1) up to \$6,000 in loan reimbursement per year for an eligible
16 applicant with an income that is less than or equal to 300 percent of
17 the most recent federal poverty guidelines;

18 (2) up to \$4,000 in loan reimbursement per year for an eligible
19 applicant with an income that is greater than 300 percent but less
20 than or equal to 400 percent of the most recent federal poverty
21 guidelines;

22 (3) up to \$2,000 in loan reimbursement per year for an eligible
23 applicant with an income that is greater than 400 percent but less
24 than or equal to 500 percent of the most recent federal poverty
25 guidelines.

26 b. The amount of a loan reimbursement award for an eligible
27 applicant may not exceed the cost of the applicant’s actual student
28 loan payments for that year.

29 c. Total State expenditures for student loan reimbursement
30 awards under the “Succeed in New Jersey” program shall not
31 exceed \$10 million per year.

32
33 4. a. As a condition of continued participation in the “Succeed
34 in New Jersey” program for a maximum period of three years, a
35 program participant shall be required to: maintain residency in the
36 State; remain current with payments on student loans; and submit
37 documentation each year to the Higher Education Student
38 Assistance Authority verifying the participant’s employment and
39 income.

40 b. A loan reimbursement award granted under the “Succeed in
41 New Jersey” program shall be deferred for a program participant
42 who has been granted a deferment or forbearance under a federal or
43 New Jersey student loan program. Upon completion of a
44 deferment or forbearance period, the program participant shall be
45 eligible to receive a loan reimbursement award for the remaining
46 time period under section 3 of this act.

47 c. A participant in the “Succeed in New Jersey” program who
48 is not a resident of New Jersey at the time any loan reimbursement

1 award is made under the program shall be required to refund such
2 payments to the State. A program participant who is delinquent or
3 in default on a student loan made under any federal or New Jersey
4 student loan program shall be ineligible to receive a loan
5 reimbursement award under the “Succeed in New Jersey” program
6 until the delinquency or default is cured.

7
8 5. Three years following the establishment of the “Succeed in
9 New Jersey” student loan reimbursement program, and every three
10 years thereafter, the Higher Education Student Assistance Authority
11 shall submit a report to the Governor, and to the Legislature
12 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). The report
13 shall include information on the total number of participants
14 receiving loan reimbursement awards under the program; the
15 number of participants employed in each of the eligible fields under
16 the program; and the total amount of loan reimbursement awards
17 issued under the program each year.

18
19 6. The Higher Education Student Assistance Authority shall
20 adopt rules and regulations pursuant to the “Administrative
21 Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to
22 implement the provisions of this act.

23
24 7. This act shall take effect immediately.

25
26
27 STATEMENT

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29 This bill would establish the “Succeed in New Jersey” student
30 loan reimbursement program within the Higher Education Student
31 Assistance Authority (HESAA). The purpose of the program is to
32 alleviate the burden of student loan debt for recent college
33 graduates who are residents of New Jersey and are employed in
34 certain fields designated as eligible for the program by the
35 Department of Labor and Workforce Development. Loan
36 reimbursement under the program will be used to reimburse an
37 applicant for a portion of his student loan payments under a federal
38 or New Jersey student loan program for a maximum period of three
39 years. To be eligible to receive loan reimbursement under the
40 program, an applicant must: (1) be a resident of New Jersey and
41 have resided in the State for at least 3 months; (2) be a United
42 States citizen or eligible noncitizen; (3) have earned an
43 undergraduate degree in or after December 2014; (4) apply for the
44 program within four years of obtaining an undergraduate degree; (5)
45 have an outstanding student loan balance under a federal or New
46 Jersey student loan program; (6) be employed in one of the
47 designated fields with a primary work location in New Jersey; and

1 (7) have an income that does not exceed 500 percent of the federal
2 poverty guidelines.

3 Under the program, the Department of Labor and Workforce
4 Development will designate up to five fields of employment that
5 qualify an eligible applicant for student loan reimbursement. Each
6 field must meet at least one of the following criteria: (1) the field
7 currently has an unmet workforce need in the State; or (2) the field
8 provides a public good or benefit to the citizens of the State and is a
9 low wage field. Every three years, the department will conduct a
10 reassessment of the eligible fields of employment under the
11 program.

12 The amount of a loan reimbursement award for an eligible
13 applicant will be determined by a sliding scale based on income, as
14 follows: (1) up to \$6,000 in loan reimbursement per year for an
15 eligible applicant with an income that is less than or equal to 300
16 percent of the federal poverty guidelines; (2) up to \$4,000 in loan
17 reimbursement per year for an eligible applicant with an income
18 that is greater than 300 percent but less than or equal to 400 percent
19 of the federal poverty guidelines; and (3) up to \$2,000 in loan
20 reimbursement per year for an eligible applicant with an income
21 that is greater than 400 percent but less than or equal to 500 percent
22 of the federal poverty guidelines. The bill caps total State
23 expenditures for student loan reimbursement awards under the
24 program at \$10 million per year.

25 As a condition of continued participation in the program for a
26 maximum period of three years, a program participant must
27 maintain residency in the State and remain current with payments
28 on student loans. Participants also must submit documentation each
29 year to HESAA verifying their employment and income.

30 The bill requires HESAA to submit a report to the Governor and
31 the Legislature three years after the establishment of the “Succeed
32 in New Jersey” program and every three years thereafter. The
33 report will include information on the total number of participants
34 receiving loan reimbursement under the program; the number of
35 participants employed in each of the eligible fields under the
36 program; and the total amount of loan reimbursement awards issued
37 under the program each year.