

ASSEMBLY BILL NO. 3681
(Third Reprint)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 3681 (Third Reprint) with my recommendations for reconsideration.

This bill establishes the New Jersey Educator Scholarship Program (the "program") in the Higher Education Student Assistance Authority ("HESAA") to provide incentives for students to pursue careers in education. Under the program, scholarships would be awarded by HESAA to 200 students annually who are enrolled in educator preparation programs at institutions of higher education within the State. Each eligible recipient would also receive a stipend of \$5,000 annually. Scholarship recipients would be required to seek and accept full-time employment as teaching staff members with a public school district, charter school, or renaissance school in the State and maintain such employment for no less than three full school years out of the first five full school years immediately following their graduation.

Under the bill, a student would be required to repay in full the amount of any stipend and the value of any scholarship received as a debt owed to the State in certain cases, including if the student is dismissed from the program of study for academic or disciplinary reasons or becomes ineligible to receive a certificate of eligibility with advanced standing from the Board of Examiners. A student who does not complete the required three full years of employment in a public school district, charter school, or renaissance school within five years of receiving a bachelor's degree and completing an educator preparation program would also be required to repay the amount of any stipend and the value of any scholarship as a debt to the State prorated to account for the time of qualifying employment.

I applaud the bill's sponsors for working to attract more teachers to the field by establishing scholarships to reduce the out-of-pocket costs of completing an educator preparation program. I am concerned, however, that this bill also would impose unduly harsh financial penalties on scholarship recipients who do not satisfy certain post-graduate employment and other requirements - including if they fail to satisfy those requirements for reasons beyond their control - by requiring those individuals to repay amounts received as a debt to the State. Many well-intentioned students seeking to become teachers under the program may find themselves on the hook for tens of thousands of dollars. These penalties risk making the bill's scholarships unattractive to potential recipients and saddling students and recent graduates with unexpected debt at a time when many students are already overburdened with student loan debt. In close collaboration with the bill's sponsors, I am therefore recommending revisions to address the unintended consequences of the provisions in the bill that provide for the conversion of scholarships and stipends to debts to the State.

Therefore, I herewith return Assembly Bill No. 3681 (Third Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 3:</u>	Delete ", and making an appropriation"
<u>Page 2, Section 1, Line 14:</u>	Delete "a total of" and insert "up to"
<u>Page 2, Section 1, Lines 14-15:</u>	Delete ", consisting of 50 scholarships"
<u>Page 2, Section 1, Lines 15-16:</u>	Delete "each of the first, second, third, and fourth years of academic study at"
<u>Page 2, Section 1, Line 18:</u>	After "a" insert "tuition"
<u>Page 2, Section 1, Line 22:</u>	Delete "a stipend" and insert "an additional scholarship"
<u>Page 2, Section 1, Line 22:</u>	Delete "the" and insert "an"
<u>Page 2, Section 1, Line 22:</u>	Delete "of \$5,000 annually" and insert "not to exceed \$2,500 for each semester of"

study to be applied toward non-tuition costs of attendance remaining after the application of State, federal, or any other need-based grant or merit scholarships"

- Page 2, Section 1, Line 23: After "a" insert "tuition"
- Page 2, Section 1, Line 28: Delete "a stipend and"
- Page 2, Section 1, Line 29: Delete "scholarship" and insert "scholarships"
- Page 2, Section 1, Lines 29-30: Delete "four academic years" and insert "eight semesters"
- Page 2, Section 1, Lines 33-43: Delete in their entirety
- Page 3, Section 1, Lines 1-13: Delete in their entirety
- Page 3, Section 2, Line 36: Delete "scholarship" and insert "scholarships"
- Page 3, Section 2, Line 41: Delete "scholarship" and insert "scholarships"
- Page 3, Section 2, Line 44: Delete ", is disqualified from employment by a school" and insert "."
- Page 3, Section 2, Lines 45-48: Delete in their entirety
- Page 4, Section 2, Lines 1-3: Delete in their entirety
- Page 4, Section 2, Line 4: Delete "scholarship" and insert "scholarships"
- Page 4, Section 2, Line 5: Delete "four years of" and insert "eight semesters after receiving"
- Page 4, Section 2, Line 6: Delete "scholarship" and insert "scholarships"
- Page 4, Section 2, Line 7: Delete "due to the student's illness, the"
- Page 4, Section 2, Lines 8-29: Delete in their entirety
- Page 4, Section 3, Line 37: Delete "The Legislature shall appropriate the" and insert "The authority shall submit to the Governor, and pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), the chair of the Senate Budget and Appropriations Committee, the chair of the Assembly Appropriations Committee, the chairs of the Senate and Assembly Education Committees, and the chairs of the Senate and Assembly Higher Education Committees, a report on the program. The report shall be submitted no later than October 1, three calendar years after the first cohort of students to receive the scholarship complete their

fourth academic year of study at an institution of higher education in the State. The report shall include, but not be limited to, the following information:

a. The number of scholarship recipients for each academic year that completed their education preparation program;

b. The number of scholarship recipients hired as a teaching staff member with a public school district, charter school, or renaissance school in the State of New Jersey; and

c. For each scholarship recipient hired as a teaching staff member with a public school district, charter school, or renaissance school in the State of New Jersey, the date of hire with the school and the number of full-years for which the scholarship was employed as of the end of the preceding academic year.

Page 4, Section 3, Lines 38-47:

Delete in their entirety

Page 5, Section 4, Lines 1-4:

Delete in their entirety

Page 5, Section 5, Line 6:

Delete "5." and insert "4."

Page 5, Section 5, Line 7:

Delete "the first full academic year following the date of" and insert "Academic year 2024-2025."

Page 5, Section 5, Line 8:

Delete in its entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor