

[First Reprint]

ASSEMBLY, No. 1619

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

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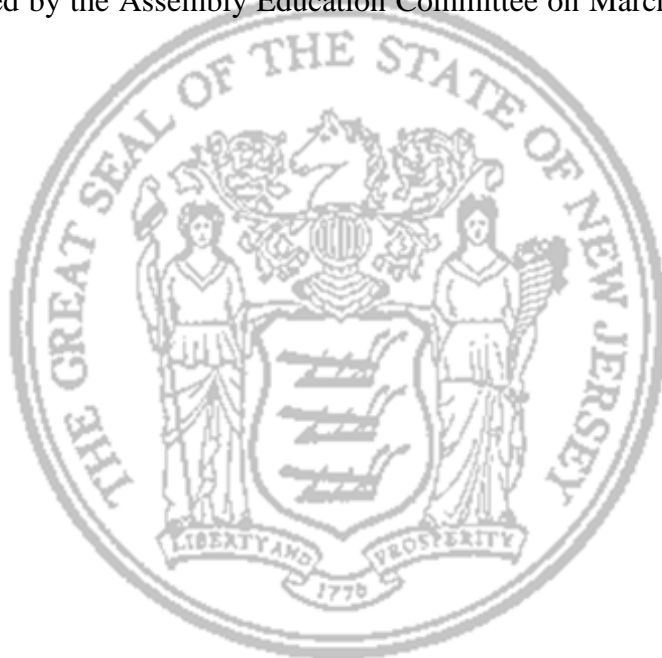
Assemblywoman Reynolds-Jackson

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Education Committee on March 4, 2024, with amendments.



1 AN ACT establishing the Grow Your Own Teacher Loan
2 Redemption Program and supplementing chapter 71C of Title
3 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. As used in this act:

9 “Approved course of study” means an undergraduate program
10 leading to a bachelor's degree offered by a four-year public or
11 independent institution of higher education; or a graduate program
12 leading to a master's degree offered by a public or independent
13 institution of higher education.

14 “Authority” means the Higher Education Student Assistance
15 Authority.

16 “Department” means the Department of Education.

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

23 “Program” means the Grow Your Own Teacher Loan
24 Redemption Program established pursuant to this act.

25 “Program participant” means a person who has executed a
26 contract with the authority for participation in the program.

27 ¹“School district” or “district” means and includes a school
28 district, charter school, and renaissance school project.¹

29

30 2. There is established in the Higher Education Student
31 Assistance Authority the Grow Your Own Teacher Loan
32 Redemption Program, the purpose of which is to encourage students
33 who graduated high school from a school district with a shortage of
34 teachers to return to teach in that school district. The program shall
35 provide for the redemption of a portion of the eligible student loan
36 expenses of a program participant for each year of full-time
37 employment as a certified teacher in the school from which the
38 program participant graduated high school or a district located in a
39 jurisdiction in which the program participant has resided for more
40 than five years, provided that the district is experiencing a shortage
41 of teachers as determined by the Department of Education. The
42 authority shall expend no more than \$500,000 in any State fiscal
43 year for the purposes of implementing the program.

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:

¹Assembly AED committee amendments adopted March 4, 2024.

- 1 3. To be eligible to participate in the program, an applicant
2 shall:
- 3 a. be a resident of the State and maintain domicile in the State
4 during participation in the program;
- 5 b. have graduated from a high school in, or resided for more
6 than five years in the same jurisdiction as, a school district
7 designated by the department as having a shortage of teachers
8 during the year in which the applicant submits a program
9 application to the authority;
- 10 c. be hired as a certified teacher by the school district with a
11 shortage of teachers from which the applicant shall have graduated
12 high school ¹or by the school district with a shortage of teachers
13 located in the jurisdiction in which the applicant has resided for
14 more than five years¹; and
- 15 d. have an outstanding balance on a State or federal student
16 loan and not be in default on any loan.
- 17
- 18 4. An individual shall apply to the authority to participate in
19 the program. The executive director of the authority or ¹**[his]** the
20 executive director's¹ designee shall select the program participants
21 from among the applicants who meet the eligibility criteria
22 established pursuant to section 3 of this act, subject to available
23 funds.
- 24
- 25 5. a. A person who meets the eligibility requirements under
26 section 3 of this act and has been selected by the executive director
27 or ¹**[his]** the executive director's¹ designee for participation in the
28 program shall enter into a written contract with the authority. The
29 contract shall specify the duration of the applicant's required
30 employment, which shall be no less than five years, and the total
31 amount of eligible student loan expenses to be redeemed by the
32 State in return for employment as a teacher in the school district
33 with a shortage of teachers from which the applicant graduated high
34 school ¹or in the school district with a shortage of teachers located
35 in the jurisdiction in which the applicant has resided for more than
36 five years¹.
- 37 b. A program participant who has entered into a contract with
38 the authority shall remain eligible for loan redemption under the
39 contract in the event that the school district from which the program
40 participant graduated high school ¹or the district located in the
41 jurisdiction in which the applicant has resided for more than five
42 years¹, and in which the teacher is employed, loses its designation
43 as a school district with a shortage of teachers.
- 44 c. The redemption of loans under the program shall not exceed
45 \$10,000 of principal and interest of eligible student loan expenses
46 for each full year of employment by the program participant. The

1 total loan redemption amount for a program participant, for five
2 years of employment, shall not exceed \$50,000.

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

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

8

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

14 b. In the case of a program participant's death or total and
15 permanent disability, the authority shall nullify the employment
16 obligation of the program participant. The nullification shall
17 terminate the authority's obligations under the loan redemption
18 contract. When continued enforcement of the contract may result in
19 extreme hardship, the authority may nullify or suspend the
20 employment obligation of the program participant.

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

25

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

30

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

35

36 9. This act shall take effect immediately.