

SENATE, No. 2008

STATE OF NEW JERSEY
221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator M. TERESA RUIZ

District 29 (Essex and Hudson)

Co-Sponsored by:

Senator Turner

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Senate Education Committee with technical review.



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

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

42

43 3. To be eligible to participate in the program, an applicant
44 shall:

45 a. be a resident of the State and maintain domicile in the State
46 during participation in the program;

47 b. have graduated from a high school in, or resided for more
48 than five years in the same jurisdiction as, a school district

1 designated by the department as having a shortage of teachers
2 during the year in which the applicant submits a program
3 application to the authority;

4 c. be hired as a certified teacher by the school district with a
5 shortage of teachers from which the applicant shall have graduated
6 high school or by a district with a shortage of teachers located in a
7 jurisdiction in which the program participant has resided for more
8 than five years; and

9 d. have an outstanding balance on a State or federal student loan
10 and not be in default on any loan.

11

12 4. An individual shall apply to the authority to participate in
13 the program. The executive director of the authority or his designee
14 shall select the program participants from among the applicants who
15 meet the eligibility criteria established pursuant to section 3 of this
16 act, subject to available funds.

17

18 5. a. A person who meets the eligibility requirements under
19 section 3 of this act and has been selected by the executive director
20 or his designee for participation in the program shall enter into a
21 written contract with the authority. The contract shall specify the
22 duration of the applicant's required employment, which shall be no
23 less than five years, and the total amount of eligible student loan
24 expenses to be redeemed by the State in return for employment as a
25 teacher in the school district with a shortage of teachers from which
26 the applicant graduated high school or in a district with a shortage
27 of teachers that is located in a jurisdiction in which the applicant
28 has resided for more than five years.

29 b. A program participant who has entered into a contract with
30 the authority shall remain eligible for loan redemption under the
31 contract in the event that the school district from which the program
32 participant graduated high school or that is located in a jurisdiction
33 in which the program participant has resided for more than five
34 years, and in which the teacher is employed, loses its designation as
35 a school district with a shortage of teachers.

36 c. The redemption of loans under the program shall not exceed
37 \$10,000 of principal and interest of eligible student loan expenses
38 for each full year of employment by the program participant. The
39 total loan redemption amount for a program participant, for five
40 years of employment, shall not exceed \$50,000.

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

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

46

47 6. a. A program participant who has previously entered into a
48 contract with the authority pursuant to section 5 of this act may

- 1 nullify the agreement by notifying the authority in writing and
2 reassuming full responsibility for the remaining outstanding balance
3 of the loan debt.
- 4 b. In the case of a program participant's death or total and
5 permanent disability, the authority shall nullify the employment
6 obligation of the program participant. The nullification shall
7 terminate the authority's obligations under the loan redemption
8 contract. When continued enforcement of the contract may result in
9 extreme hardship, the authority may nullify or suspend the
10 employment obligation of the program participant.
- 11 c. In the case of a program participant's conviction of a crime
12 or an act of gross negligence in the performance of employment
13 obligations, the executive director or his designee is authorized to
14 terminate the program participant's participation in the program.
15
- 16 7. A person who knowingly or willfully furnishes any false or
17 misleading information for the purpose of receiving loan
18 redemption benefits under the program is guilty of a crime of the
19 fourth degree.
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- 21 8. The authority, in consultation with the department, shall
22 adopt rules and regulations pursuant to the "Administrative
23 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), necessary to
24 implement the provisions of this act.
25
- 26 9. This act shall take effect immediately.