

# ASSEMBLY, No. 4085

## STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED SEPTEMBER 15, 2016

**Sponsored by:**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblywoman MILA M. JASEY**

**District 27 (Essex and Morris)**

**Assemblywoman VALERIE VAINIERI HUTTLE**

**District 37 (Bergen)**

**Assemblyman DANIEL R. BENSON**

**District 14 (Mercer and Middlesex)**

**Co-Sponsored by:**

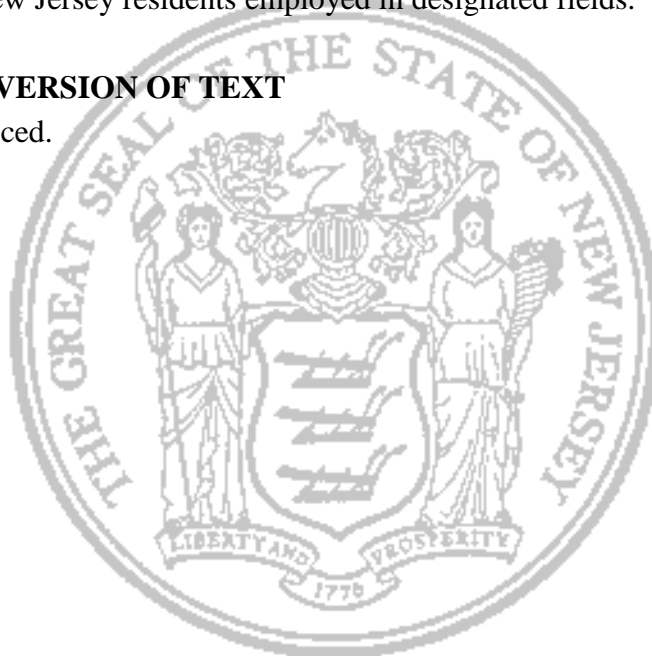
**Assemblywomen Jimenez, Lampitt, Assemblymen McKeon, Mukherji,  
Holley, Danielsens, Eustace and Caputo**

**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.



**(Sponsorship Updated As Of: 12/20/2016)**

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”  
9 student loan reimbursement program within the Higher Education  
10 Student Assistance Authority. The purpose of the program is to  
11 alleviate the burden of student loan debt for recent college  
12 graduates who are residents of New Jersey and are employed in  
13 certain fields designated by the Department of Labor and  
14 Workforce 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 deferment  
44 or forbearance period, the program participant shall be eligible to  
45 receive a loan reimbursement award for the remaining time period  
46 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

28  
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.