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Co-Sponsored by:
Assemblywomen Jimenez, Lampitt, Assemblymen McKeon, Mukherji, Holley, Danielsen, Eustace, Caputo, Chiaravalloti and Zwicker

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: 6/9/2017)
AN ACT establishing a student loan reimbursement program for certain New Jersey residents and supplementing chapter 71C of Title 18A of the New Jersey Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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

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

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

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

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

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

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

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

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

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

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

      (1) the field currently has an unmet workforce need in the State; or
(2) the field provides a public good or benefit to the citizens of
the State and is a low wage field.

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

3. a. An eligible applicant may receive loan reimbursement
under the “Succeed in New Jersey” program for a maximum period
of three years. The amount of a loan reimbursement award for an
eligible applicant shall be determined in accordance with the
following:
(1) up to $6,000 in loan reimbursement per year for an eligible
applicant with an income that is less than or equal to 300 percent of
the most recent federal poverty guidelines;
(2) up to $4,000 in loan reimbursement per year for an eligible
applicant with an income that is greater than 300 percent but less
than or equal to 400 percent of the most recent federal poverty
guidelines;
(3) up to $2,000 in loan reimbursement per year for an eligible
applicant with an income that is greater than 400 percent but less
than or equal to 500 percent of the most recent federal poverty
guidelines.

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

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

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

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

c. A participant in the “Succeed in New Jersey” program who
is not a resident of New Jersey at the time any loan reimbursement
award is made under the program shall be required to refund such payments to the State. A program participant who is delinquent or in default on a student loan made under any federal or New Jersey student loan program shall be ineligible to receive a loan reimbursement award under the “Succeed in New Jersey” program until the delinquency or default is cured.

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

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

7. This act shall take effect immediately.

STATEMENT

This bill would establish the “Succeed in New Jersey” student loan reimbursement program within the Higher Education Student Assistance Authority (HESAA). The purpose of the program is to alleviate the burden of student loan debt for recent college graduates who are residents of New Jersey and are employed in certain fields designated as eligible for the program by the Department of Labor and Workforce Development. Loan reimbursement under the program will be used to reimburse an applicant for a portion of his student loan payments under a federal or New Jersey student loan program for a maximum period of three years. To be eligible to receive loan reimbursement under the program, an applicant must: (1) be a resident of New Jersey and have resided in the State for at least 3 months; (2) be a United States citizen or eligible noncitizen; (3) have earned an undergraduate degree in or after December 2014; (4) apply for the program within four years of obtaining an undergraduate degree; (5) have an outstanding student loan balance under a federal or New Jersey student loan program; (6) be employed in one of the designated fields with a primary work location in New Jersey; and
(7) have an income that does not exceed 500 percent of the federal poverty guidelines.

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

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

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

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