

ASSEMBLY, No. 1634

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman PAMELA R. LAMPITT

District 6 (Burlington and Camden)

SYNOPSIS

Requires Higher Education Student Assistance Authority to reduce monthly loan repayment for New Jersey College Loans to Assist State Students (NJCLASS) loan borrowers who have child enrolled in Grow NJ Kids-rated child care program.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning student loan repayment waivers for certain
2 borrowers and supplementing chapter 71C of Title 18A of the
3 New Jersey Statutes.

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

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8 1. As used in this act:

9 “Approved program” means a licensed child care center, a
10 school- or center-based preschool program, a Head Start program,
11 or a registered family child care provider which has achieved a
12 Grow NJ Kids rating of at least three.

13 “Authority” means the Higher Education Student Assistance
14 Authority” established pursuant to N.J.S.18A:71A-3.

15 “Grow NJ Kids” means New Jersey’s quality rating improvement
16 system designed to raise the quality of child care and early learning
17 programs.

18 “Program” means the Grow NJ Kids Student Loan Waiver
19 Program established pursuant to section 2 of this act.

20 “Program participant” means a New Jersey College Loans to
21 Assist State Students (NJCLASS) Loan Program borrower who has
22 a child enrolled in an approved program and who has applied and
23 been accepted by the authority for participation in the Grow NJ
24 Kids Student Loan Waiver Program.

25
26 2. There is established a Grow NJ Kids Student Loan Waiver
27 Program within the Higher Education Student Assistance Authority.
28 Under the program, the authority shall reduce the principal monthly
29 loan repayment amount for an eligible New Jersey College Loans to
30 Assist State Students (NJCLASS) Loan Program borrower who has
31 a child enrolled in an approved program, by the amount of the
32 approved program’s monthly tuition. The borrower shall pay any
33 principal monthly loan repayment amount that exceeds the amount
34 waived by the authority plus any interest. The State shall
35 appropriate such amounts as may be necessary to offset the loan
36 principal amounts waived under the program.

37
38 3. To be eligible to participate in the program, an applicant
39 shall:

- 40 a. be a resident of the State;
41 b. provide evidence of his child’s enrollment in an approved
42 program;
43 c. submit an application to participate in the program to the
44 authority in a time and manner as determined by the authority; and
45 d. satisfy any additional criteria the authority may establish.

46
47 4. a. A program participant shall enter into a contract with the
48 authority. The contract shall specify the amount of the monthly

1 loan repayment to be waived by the authority and the monthly
2 amount to be paid by the program participant.

3 b. A program participant who has entered into a contract with
4 the authority may nullify the contract by notifying the authority in
5 writing and assuming full responsibility for the total monthly loan
6 repayment amount.

7
8 5. A program participant shall immediately notify the authority
9 if:

10 a. there is a change in the tuition amount charged by the
11 approved program;

12 b. the child is no longer enrolled in the approved program; or

13 c. the child transfers from the approved program to another
14 approved program, or to another child care program that does not
15 have a Grow NJ Kids rating of at least three.

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17 6. The authority shall provide:

18 a. each licensed child care center, school- or center-based
19 preschool program, Head Start program, or registered family child
20 care provider with information on the Grow NJ Kids initiative,
21 including information on how to attain a Grow NJ Kids rating; and

22 b. each NJCLASS Loan Program borrower with information on
23 the Grow NJ Kids Student Loan Waiver Program.

24
25 7. The authority shall adopt in accordance with the
26 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
27 seq.), rules and regulations as may be necessary to implement the
28 provisions of this act.

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30 8. This act shall take effect immediately.

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33 STATEMENT

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35 This bill establishes a Grow NJ Kids Student Loan Waiver
36 Program within the Higher Education Student Assistance Authority.
37 Grow NJ Kids is New Jersey’s quality rating improvement system
38 designed to raise the quality of child care and early learning
39 programs. Under the bill, the authority will reduce the principal
40 monthly loan repayment amount for an eligible New Jersey College
41 Loans to Assist State Students (NJCLASS) Loan Program borrower
42 who has a child enrolled in an approved program by the amount of
43 the approved program’s monthly tuition. The bill defines an
44 “approved program” as a licensed child care center, a school- or
45 center-based preschool program, a Head Start program, or a
46 registered family child care provider which has achieved a Grow NJ
47 Kids rating of at least three. The borrower will pay any principal
48 monthly loan repayment amount that exceeds the amount waived by

1 the authority plus any interest. The bill provides that the State will
2 appropriate such amounts as may be necessary to offset the loan
3 principal amounts waived under the program.

4 In order to be eligible to participate in the program, an applicant
5 must:

- 6 • be a resident of the State;
- 7 • provide evidence of his child's enrollment in an approved
8 program;
- 9 • submit an application to participate in the program to the
10 authority in a time and manner as determined by the
11 authority; and
- 12 • satisfy any additional criteria the authority may establish.

13 Under the bill, the authority will provide:

- 14 • each licensed child care center, school- or center-based
15 preschool program, Head Start program, or registered
16 family child care provider with information on the Grow NJ
17 Kids initiative, including information on how to attain a
18 Grow NJ Kids rating; and
- 19 • each NJCLASS Loan Program borrower with information on
20 the Grow NJ Kids Student Loan Waiver Program.