

ASSEMBLY COMMITTEE SUBSTITUTE FOR  
**ASSEMBLY, No. 2687**

**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

ADOPTED JUNE 9, 2021

**Sponsored by:**

**Assemblyman VINCENT MAZZEO**

**District 2 (Atlantic)**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman WILLIAM F. MOEN, JR.**

**District 5 (Camden and Gloucester)**

**Co-Sponsored by:**

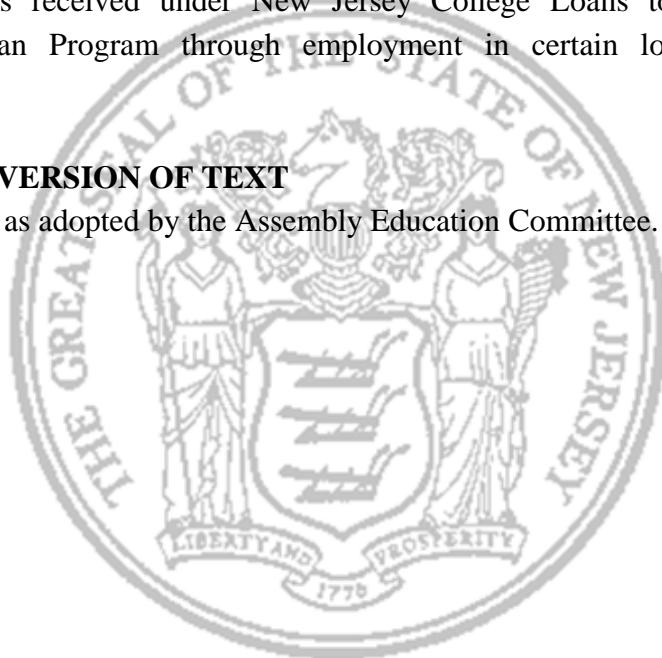
**Assemblywomen Reynolds-Jackson, Jimenez, Assemblyman Tully,  
Assemblywomen Swain, Vainieri Huttle and Jasey**

**SYNOPSIS**

Establishes loan redemption program for teachers in certain fields to redeem loan amounts received under New Jersey College Loans to Assist State Students Loan Program through employment in certain low performing schools.

**CURRENT VERSION OF TEXT**

Substitute as adopted by the Assembly Education Committee.



**(Sponsorship Updated As Of: 6/24/2021)**

1   **AN ACT** establishing a loan redemption program for certain teachers  
 2       and supplementing chapter 71C of Title 18A of the New Jersey  
 3       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       “Authority” means the Higher Education Student Assistance  
 10      Authority established pursuant to N.J.S.18A:71A-3.

11      “Low performing school” means any public school that meets the  
 12      criteria of paragraph (1) or paragraph (2):

13      (1) among all students in that school to whom a State  
 14      assessment was administered, the sum of the percent of students  
 15      scoring in the not yet meeting expectations and partially meeting  
 16      expectations categories in both the language arts and mathematics  
 17      subject areas of the State assessments exceeded 40% in each of the  
 18      prior two school years; or

19      (2) among all students in that school to whom a State  
 20      assessment was administered, the sum of the percent of students  
 21      scoring in the not yet meeting expectations and partially meeting  
 22      expectations categories in either the language arts or mathematics  
 23      subject areas of the State assessment exceeded 65% in each of the  
 24      prior two school years.

25      (3) A school shall continue to be designated a low performing  
 26      school until such time that the sum of the percent of students  
 27      scoring in the not yet meeting expectations and partially meeting  
 28      expectations categories in both the language arts and mathematics  
 29      subject areas of the State assessments is less than or equal to the  
 30      sum of the Statewide percent of students scoring in the not yet  
 31      meeting expectations and partially meeting expectations categories  
 32      on the corresponding Statewide assessments.

33      “High-need field” means a subject area or field of expertise in  
 34      which there is a shortage of qualified teachers in the State as  
 35      determined by the Department of Education. The department shall  
 36      reassess its designation of high-need fields at least every five years.

37      “Program participant” means an undergraduate student borrower  
 38      under the New Jersey College Loans to Assist State Students  
 39      (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-  
 40      21 who, following the effective date of this act, is initially hired by  
 41      a school district to work as a teacher in a high-need field in a low  
 42      performing school, and who has executed a contract with the  
 43      authority for participation in the loan redemption program. A  
 44      program participant shall be a certified teacher and a resident of  
 45      New Jersey.

1       2. a. There is established in the Higher Education Student  
2 Assistance Authority a loan redemption program for teachers in  
3 high-need fields who are employed in low performing schools. The  
4 program shall provide for the redemption of a portion of the loans a  
5 program participant receives under the NJCLASS Loan Program  
6 pursuant to article 2 of chapter 71C of Title 18A of the New Jersey  
7 Statutes for service as a teacher in a high-need field in a low  
8 performing school in New Jersey. The annual amount of State  
9 funds appropriated to the loan redemption program shall not exceed  
10 \$1,000,000. The authority shall notify the Legislature when the  
11 funds have been fully expended or committed.

12       b. A program participant may redeem his NJCLASS loan  
13 amounts upon execution of a contract between the program  
14 participant and the authority. The contract shall be for a specified  
15 number of one-year periods of service. The contract shall specify  
16 the total amount of debt, up to 100%, to be redeemed by the State in  
17 return for service pursuant to subsection d. of this section.

18       c. A program participant who has entered into a contract with  
19 the authority shall remain eligible for loan redemption under the  
20 contract in the event that:

21       (1) the public school in which the teacher is employed loses its  
22 designation as a low performing school or the teacher is transferred  
23 to a school in the district that is not a low performing school; or

24       (2) the high-need field in which the program participant is  
25 teaching pursuant to his service obligation subsequently loses its  
26 designation as a high-need field, and the program participant  
27 continues to teach in the same field in accordance with his  
28 contractual agreement with the authority.

29       d. The redemption of loans under the loan redemption program  
30 shall amount to 15% of principal and interest of a program  
31 participant's NJCLASS loan amounts in return for each of the first  
32 and second full years of service; 20% of principal and interest in  
33 return for each of the third and fourth full years of service; and 30%  
34 of principal and interest in return for the fifth full year of service.  
35 Service for less than the full school year of each period of service  
36 shall not entitle the program participant to any benefits under the  
37 loan redemption program. Prior to the redemption of loan  
38 indebtedness, a program participant shall submit to the authority  
39 proof of employment.

40       e. A program participant who has entered into a redemption  
41 contract with the authority may nullify his contract by submitting  
42 written notification to the authority and assuming full responsibility  
43 for repayment of principal and interest on the full amount of his  
44 loans or that portion of the loans which has not been redeemed by  
45 the State, in return for partial fulfillment of the contract.

1 f. In case of a program participant's death or total and  
 2 permanent disability, the authority shall nullify the service  
 3 obligation of the program participant. The nullification shall  
 4 terminate the authority's obligations under the loan redemption  
 5 contract. If continued enforcement of the contract may result in  
 6 extreme hardship, the authority may nullify or suspend the service  
 7 obligation of the program participant

8 g. The authority shall advertise the availability of the program  
 9 and engage in outreach activities with potential participants.  
 10

11 3. The authority shall annually submit a report on the program  
 12 to the Governor, and to the Legislature pursuant to section 2 of  
 13 P.L.1991, c.164 (C.52:14-19.1). The report shall be submitted no  
 14 later than July 1 of each year and shall include, but not be limited  
 15 to, information on: the total number of program participants; the  
 16 number of program participants entering the program in that year; a  
 17 profile of the program participants, including demographic  
 18 information, the school district in which the participant is employed  
 19 and the school in which the participant teaches, and the institution  
 20 of higher education from which the participant received a degree;  
 21 the average annual loan redemption amount and the five-year  
 22 average loan redemption amount of program participants; the  
 23 number of applicants who were denied acceptance into the program,  
 24 including the number who were denied due to a lack of program  
 25 funding; the amount of the annual program appropriation that is  
 26 applied to loan redemption payments for participants; the amount of  
 27 the annual program appropriation that is used to compensate  
 28 bondholders due to bond modification including, but not limited to,  
 29 interest loss over the life of the loans; and the amount of the annual  
 30 appropriation used to administer the program.  
 31

32 4. The authority, in consultation with the Department of  
 33 Education, shall adopt pursuant to the provisions of the  
 34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
 35 seq.), rules and regulations necessary to effectuate the purposes of  
 36 this act.  
 37

38 5. This act shall take effect immediately.