

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2350 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 15, 2022

SUMMARY

- Synopsis:** Establishes Grow Your Own Teacher Loan Redemption Program in Higher Education Student Assistance Authority.
- Type of Impact:** State expenditure increase from the General Fund.
- Agencies Affected:** Higher Education Student Assistance Authority.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Up to \$500,000

- The Office of Legislative Services (OLS) concludes that this bill will annually cost the State a maximum of \$500,000. A provision of the bill requires that the Higher Education Student Assistance Authority (HESAA) will not spend more than that amount in any State fiscal year.

BILL DESCRIPTION

This bill establishes the Grow Your Own Teacher Loan Redemption Program in the HESAA. The purpose of the program is to encourage students who graduated high school from a school district, or lived in a school district, with a shortage of teachers to teach in that school district.

Under the bill, the authority will offer loan redemption up to \$10,000 of principal and interest of eligible student loan expenses for each full year of employment by the program participant. The total loan redemption amount for a program participant, for five years of employment, will not exceed \$50,000. The HESAA will not spend more than \$500,000 for program implementation in any State fiscal year.

Among other program eligibility requirements, an applicant is required to have previously graduated high school in a school district designated by the Department of Education as having a shortage of teachers during the year in which the applicant submits a program application to the HESAA or have resided in the jurisdiction in which the school district is located for more

than five years. An applicant is further required to be hired as a certified teacher by the school district from which the applicant graduated high school or a school district located in a jurisdiction in which the applicant has resided for more than five years.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will annually cost the State a maximum of \$500,000. A provision of the bill requires that the HESAA will not spend more than that amount in any State fiscal year. Assuming that each program participant receives the full \$10,000 annual maximum amount of loan redemption provided under the bill and that the maximum allowable State expenditure of \$500,000 is appropriated, the program would benefit 50 individuals each year.

Section: Education

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*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).