

18A:72-10 and 18A:72-11

LEGISLATIVE HISTORY CHECKLIST

(Higher Education Assistance Authority--
enable parents of students to participate
in Federal student loan program)

NJSA 18A:72-10 and 18A:72-11

LAWS 1981

CHAPTER 206

Bill No. A3195

Sponsor(s) Burstein

Date Introduced March 2, 1981

Committee: Assembly Education

Senate Education

Amended during passage Yes No

Date of Passage: Assembly June 15, 1981

Senate June 29, 1981

Date of approval July 9, 1981

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes No

Veto Message Yes No

Message on signing Yes ~~No~~

yes

Following were printed:

Reports Yes No

Hearings Yes No

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18A:72-10 and 18A:72-11
JUN 29 1981
EDUCATION

ASSEMBLY, No. 3195

STATE OF NEW JERSEY

INTRODUCED MARCH 2, 1981

By Assemblyman BURSTEIN

Referred to Committee on Education

AN ACT concerning student loans and amending N. J. S. 18A:72-10
and N. J. S. 18A:72-11.

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

1 1. N. J. S. 18A:72-10 is amended to read as follows:

2 18A:72-10. The authority shall have the following powers:

3 (1) (a) To make loans

4 (i) to persons or to assist in the placing of loans to persons, who
5 are residents of this State, and who are attending and are in good
6 standing in, or who plan to attend, any qualified institution of
7 collegiate grade, located in this State or elsewhere, which is ap-
8 proved by any regional accrediting association recognized by the
9 national commission on accrediting, or approved by the Board of
10 Higher Education, any qualified post-secondary nondegree institu-
11 tion of higher education, located in this State or elsewhere, or any
12 other eligible institution, or

13 (ii) to persons who reside outside this State and who are enrolled
14 in an eligible educational institution located within this State, or

15 (iii) to parents of persons meeting requirements set forth in (i)
16 or (ii) above, in order to assist them in meeting [their] expenses
17 of higher education, and to guarantee such loans upon such terms
18 and conditions as the authority may prescribe, in an amount for
19 any academic year or in total as may be authorized by the New
20 Jersey Higher Education Assistance Authority and approved by
21 the Board of Higher Education; provided, however, that such
22 amounts may not exceed in any given year or in total amount that
23 which is guaranteed by the Federal Government.

24 For the purposes of this section, a qualified institution of
25 collegiate grade shall be deemed to include a school of professional
26 nursing accredited or approved by the New Jersey Board of

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

27 Nursing, and a qualified post-secondary nondegree institution of
 28 higher education located outside the State shall mean and include
 29 any such institution offering courses in one or more of the fields
 30 enumerated, and meet the admission standards set forth in N. J. S.
 31 18A:72-2.

32 (b) When the authority determines that higher annual or cumula-
 33 tive student loan limits than those established in section (1) (a)
 34 are warranted in order to carry out the purposes of the statute
 35 with regard to students engaged in high cost graduate or profes-
 36 sional education, the authority may make or guarantee loans to
 37 eligible students in amounts to correspond to those higher limits,
 38 provided that such maximum limits are recommended by the
 39 authority and approved by the Board of Higher Education.

40 (2) To adopt rules not inconsistent with law governing the appli-
 41 cation for and the guarantee of loans made by the authority and
 42 governing any other matters related to its activities.

43 (3) To buy and sell approved notes evidencing loans made under
 44 this chapter, and to buy and sell participations in approved notes
 45 made pursuant to this chapter.

46 (4) From time to time to issue its negotiable bonds and bond
 47 anticipation notes for the purpose of providing funds (a) to make
 48 loans in accordance with the provisions of subsection (1) of this
 49 section; (b) to purchase from lenders approved notes or par-
 50 ticipations in approved notes as provided by law; and (c) for the
 51 refunding of outstanding bonds.

52 (5) To perform any other acts which may be deemed necessary
 53 or appropriate to carry out the objects and purposes of this
 54 chapter.

1 2. N. J. S. 18A:72-11 is amended to read as follows:

2 18A:72-11. Any application for a loan under this chapter shall
 3 be submitted to the authority for its approval, and the authority
 4 shall approve the same only if it finds that the applicant;

5 a. (1) Has been a resident of New Jersey for a period of not less
 6 than 6 months immediately preceding the date of his application for
 7 such loan, and has demonstrated high moral character, good citizen-
 8 ship and dedication to American ideals; or

9 (2) Is a resident of a state other than this State, and has been
 10 admitted to, or is in regular attendance at and is in good standing
 11 in, an eligible educational institution located within this State; and

12 b. Intends to make application for admission to, or has been
 13 admitted to, or is in regular attendance at and is in good standing
 14 in, a qualified institution of collegiate grade approved by any
 15 regional accrediting association recognized by the national com-

16 mission on accrediting, or approved by the board of higher educa-
17 tion, a qualified post-secondary nondegree institution of higher
18 education or any other eligible institution; **[and]** *or*

19 *c. Is the parent of such eligible person; and*

20 **[c.] d.** Has **[demonstrated financial need for such loan as deter-**
21 **mined by the standards and procedures established by the authority**
22 **and has]** complied with all rules adopted by the authority pursuant
23 to this chapter in connection with the granting of such loans.

1 3. This act shall take effect immediately.

STATEMENT

Recent amendments to Federal law make parents of dependent undergraduate students eligible to participate in the Federal Guaranteed Student Loan Program. See P. L. 96-374, Title IV, § 419, Oct. 3, 1980, 94 Stat. 1424 (20 U. S. C. A. § 1078-2). This bill amends the State Higher Education Assistance Authority Law to enable parents to participate in the new Federal program once it is implemented.

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17 tion, a qualified post-secondary nondegree institution of higher
18 education or any other eligible institution; **[and]** *or*

19 *c. Is the parent of such eligible person; and*

20 **[c.] d.** Has **[demonstrated financial need for such loan as deter-**
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A3195 (1981)

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ASSEMBLY EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3195

STATE OF NEW JERSEY

DATED: MAY 14, 1981

PROVISIONS:

Assembly Bill No. 3195 permits New Jersey parents of undergraduate students to be eligible to participate in the Federal Guaranteed Loan Program.

BACKGROUND:

Federal statutes have been amended to permit parents to take out loans for their dependent children. Currently, in New Jersey only students are eligible to receive loans under the Federal Guaranteed Loan Program. However, with the high costs of higher education the current limits are sometimes insufficient to enable a student to finish his or her education. By enabling parents to take out loans for their dependent children a student will have an increased borrowing capacity. However, each state must pass enabling legislation that creates the necessary administrative authorization to disburse and collect the guaranteed loans.

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SENATE EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3195

STATE OF NEW JERSEY

DATED: JUNE 18, 1981

The Senate Education Committee favorably reports this bill and endorses the Assembly Education Committee Statement which reads as follows:

“PROVISIONS:

Assembly Bill No. 3195 permits New Jersey parents of undergraduate students to be eligible to participate in the Federal Guaranteed Loan Program.

BACKGROUND:

Federal statutes have been amended to permit parents to take out loans for their dependent children. Currently, in New Jersey only students are eligible to receive loans under the Federal Guaranteed Loan Program. However, with the high costs of higher education the current limits are sometimes insufficient to enable a student to finish his or her education. By enabling parents to take out loans for their dependent children a student will have an increased borrowing capacity. However, each state must pass enabling legislation that creates the necessary administrative authorization to disburse and collect the guaranteed loans.”

A-3195, sponsored by Assemblyman Albert Burstein (D-Bergen) which amends certain provisions of the State Higher Education Assistance Authority to permit parents to participate in the Federal Guaranteed Student Loan Program. Recent federal legislation makes the parents of dependent undergraduate students eligible to borrow in the federal program.

A-67, sponsored by Assemblyman William Flynn (D-Monmouth) which makes it a disorderly persons offense for an adult to bring alcoholic beverages onto school premises without express written permission.

The Governor conditionally vetoed the bill on May 4 for technical reasons. Under the measure as it originally passed, a person of legal age would be subject to a "petty disorderly persons offense" if he brought alcohol onto school premises without authorization. Current statutes provide that it is a "disorderly persons offense" for someone under the legal age to purchase liquor to possess or consume alcohol on school premises. Thus, enactment of the bill in its original form would result in violators of legal age (18) being prosecuted for a "disorderly persons offense," while violators of legal age to purchase liquor (19) would be subject to a "petty disorderly person offense."

In his veto message, the Governor recommended that the violation be changed from "petty disorderly persons offense" to a "disorderly persons offense," and suggested that the term "school premises" be more clearly defined.

The Legislature concurred with the Governor's recommendations.

A-1063, sponsored by Assemblyman Richard Codey (D-Essex) which permits municipal policemen who served as chance men in their municipal police departments at some time in the past to purchase prior service credit in the Police and Firemen's Retirement System. (PFRS)

A chanceman is a "reserve" policeman -- an officer who was on call and performed the duties of a policeman when called.