

18A:72F-1 to 18A:72F-12

LEGISLATIVE HISTORY CHECKLIST

NJSA: 18A:72F-1 to 18A:72F-12

"Minority
Faculty Ad-
vancement
Loan and Loan
Redemption
Program Act"

LAWS OF: 1984

CHAPTER: 189

Bill No: A903

Sponsor(s): Garvin and others

Date Introduced: January 30, 1984

Committee: Assembly: Higher Education and Regulated Professions

Senate: Revenue, Finance and Appropriations

Amended during passage: Yes Substituted for S1026 (not attached since identical to A903)

Date of Passage: Assembly: March 15, 1984

Senate: July 30, 1984

Date of Approval: November 15, 1984

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: No

Veto Message: No

Message on Signing: Yes

Following were printed:

Reports: No

Hearings: No

11-15-84

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ASSEMBLY, No. 903**STATE OF NEW JERSEY**

INTRODUCED JANUARY 30, 1984

By Assemblywoman GARVIN, Assemblymen DORIA, CHARLES, ROCCO, BOCCHINI, WATSON, BRYANT, BROWN and THOMPSON

AN ACT establishing the Minority Faculty Advancement Loan and Loan Redemption Program and supplementing chapter 72 of Title 18A of the New Jersey Statutes.

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

1 1. This act shall be known and may be cited as the "Minority
2 Faculty Advancement Loan and Loan Redemption Program Act."

1 2. The Legislature finds and declares that:

2 a. Within the State colleges minority faculty members with
3 doctoral degrees in certain academic disciplines, notably the phys-
4 ical and life sciences, engineering, mathematics, management,
5 computer science, environmental sciences, and statistics, are under-
6 represented in comparison to nonminority faculty members with
7 doctorates.

8 b. There is in the United States a serious shortage of minority
9 doctoral degree graduates in the academic disciplines cited above
10 from which the State colleges can recruit faculty members.

11 c. The State colleges in New Jersey currently face difficult prob-
12 lems in recruiting and retaining minority faculty members with
13 doctoral degrees in the academic disciplines cited above.

14 d. With the support of the Department of Higher Education,
15 Rutgers, The State University and the State colleges have co-
16 operated in implementing a pilot program, the Minority Advance-

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

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted February 27, 1984.

**—Senate committee amendment adopted May 17, 1984.

17 ment Program in Teaching and Research, whereby eligible State
 18 college minority faculty members or other minorities admitted
 19 to the State university in a doctoral degree program in certain
 20 academic disciplines are provided grant, loan and other support
 21 opportunities to assist them in completing the academic degree
 22 requirements and to increase the pool of potential minority faculty
 23 members holding doctoral degrees.

1 3. As used in this act:

2 a. "Eligible discipline" means an academic discipline in which
 3 minority individuals are underrepresented as determined by the
 4 State Board of Higher Education.

5 b. "Faculty member" means any person employed full-time by
 6 a New Jersey State college, to perform primarily teaching, re-
 7 search, or administrative duties for 10 or more months per aca-
 8 demic year.

9 c. "Minority" means any person who is a member of a racial-
 10 ethnic group that has been historically disadvantaged in obtaining
 11 access to equal educational opportunities.

12 d. "Program" means the Minority Faculty Advancement Loan
 13 and Loan Redemption Program created pursuant to this act.

14 e. "State college" means any institution created pursuant to
 15 chapter 64 of Title 18A of the New Jersey Statutes.

1 4. There is established within the Department of Higher Edu-
 2 cation a Minority Faculty Advancement Loan and Loan Redemp-
 3 tion Program for students at Rutgers, The State University or the
 4 New Jersey Institute of Technology **or at a private college or uni-*
 5 *versity which agrees to participate in the program** who are en-
 5A rolled in an eligible discipline in the Minority Advancement Pro-
 5B gram in Teaching and Research.

6 Eligible participants shall include:

7 a. State college faculty members who have been nominated
 8 by their institution and granted up to a four year leave of absence
 9 in order to participate in the program. A nomination by a State
 10 college shall include a commitment to reemploy the nominee in
 11 the same or in an equivalent position at the college upon completion
 12 of the program; and

13 b. Individuals who otherwise qualify **pursuant to procedures*
 14 *set forth by the Chancellor of Higher Education,** but who are not
 15 State college faculty members, or who have not been nominated by
 16 a college.

1 5. Eligible program participants seeking loans to finance their
 2 education shall first apply for loans under the Guaranteed Student

3 Loan Program. In the event that participants have borrowed the
4 maximum permitted under the terms of this program or are other-
5 wise ineligible, they may apply for direct loans in amounts not
6 exceeding \$10,000.00 per student annually which loans may be
7 renewed for up to a maximum of four academic years for a total
8 loan indebtedness not exceeding \$40,000.00 per student. Direct
9 loans will be evidenced by promissory notes and may be secured
10 pursuant to regulations and forms established by the Chancellor
11 of Higher Education.

12 Direct loans shall not bear interest or finance charges during
13 the time a student is enrolled as a full-time student in the program
14 or is engaged in approved redemption service pursuant to this act.
15 Direct loans shall become due and payable pursuant to section 8
16 of this act six months after graduation if no redemption contract
17 is in effect, or six months after change to part-time student status,
18 withdrawal from the program, or termination from full-time em-
19 ployment either as a faculty member at a State college or other
20 qualified employment.

1 6. Direct loans obtained pursuant to section 5 of this act and
2 federally guaranteed student loans together with interest thereon
3 secured after admission to the Minority Advancement Program
4 may be redeemed by program participants upon execution of a
5 contract between the participant and the Department of Higher
6 Education. The maximum loan redemption for program partic-
7 ipants shall amount to cancellation of repayment for one-quarter
8 of the eligible loan indebtedness in return for each full academic
9 year of service as a faculty member in a State college for total
10 cancellation of loan indebtedness for up to, but not to exceed, a
11 maximum of \$40,000.00 per student. In no event shall faculty
11A service for less than the full academic year of each period of
12 service entitle the participant to any benefits under the loan re-
13 demption conditions of the program. Prior to the annual redemp-
14 tion of loan indebtedness, participants in the program shall submit
15 proof of faculty service to the Department of Higher Education.

1 7. Faculty service requirements for loan redemption purposes
2 shall be satisfied at the State college which nominated the faculty
3 member to participate in the program unless otherwise agreed by
4 the State college president. Program participants not nominated
5 by a State college may satisfy their faculty service requirement
6 at any New Jersey State college**; *except that any faculty mem-*
7 *ber participating in the program upon nomination by an institu-*
8 *tion of higher education within New Jersey other than a State*

9 college shall satisfy his faculty service requirements for loan re-
10 demption purposes at his nominating institution unless otherwise
11 agreed by the nominating institution's president*. However, if the
12 chancellor determines that no appropriate faculty positions are
13 available in the State colleges, faculty service requirements may
14 be satisfied at other public or private colleges or universities in
15 New Jersey which are licensed by the Board of Higher Education,
16 or at any other agency of State government.

1 8. Program participants who have entered into redemption con-
2 tracts with the Department of Higher Education may nullify their
3 contracts by submitting written notification to the department and
4 assuming full responsibility for repayment of principal and interest
5 on the full amount of their direct loans or that portion of the loans
6 which has not been redeemed by the State in return for partial
7 fulfillment of the contracts. The interest on the loans shall be at
8 the prevailing rate established for the federal Guaranteed Student
9 Loan Program at the time the loans were made. The participant
10 seeking to nullify the contract shall be required to repay the loan
11 or the undeemed portion thereof in not more than 10 years follow-
12 ing the termination of the contract minus the years of service al-
13 ready performed under the contract. Repayments of direct loans
14 by participants who do not perform faculty service for redemption
15 purposes may be used to provide future loans under the program,
16 as determined by the chancellor.

1 9. In case of a program participant's death or total or permanent
2 disability, the chancellor shall nullify the service obligation of the
3-4 student, thereby terminating the student's obligation to repay the
5 unpaid balance of the redeemable portion of the loan and the
6 accrued interest thereon, or where continued enforcement of the
7 contract may result in extreme hardship, the chancellor may nullify
8 or suspend the service obligation of the student.

1 10. The impact of the program on the representation of State
2 college minority faculty members with doctoral degrees in the
3 designated disciplines shall be evaluated periodically by the chan-
4 cellor.

1 11. The chancellor shall promulgate such rules and regulations
2 in accordance with the "Administrative Procedure Act," P. L. 1968,
3 c. 410 (C. 52:14B-1 et seq.) as are necessary to carry out the
4 purposes of this act.

1 12. Interest and investment income received by the Higher
2 Education Assistance Authority on the loan reserve fund estab-
3 lished pursuant to N. J. S. 18A:72-17, up to a maximum of

4 \$400,000.00 annually, shall be transferred to the Department of
5 Higher Education for the program established by this act.

6 If the income of the authority is insufficient to fund the program
7 in any fiscal year, the department shall include the balance of funds
8 needed in its proposed budget for that year. In no event shall the
9 total appropriation for the program exceed \$400,000.00 in any one
10 fiscal year.

1 13. This act shall take effect immediately.

STATEMENT

This bill establishes a program which would allow minority faculty members at State colleges to enroll in a doctoral program at Rutgers University under a special loan and loan redemption program. Individuals admitted to the university under this program could borrow up to \$10,000.00 a year for a maximum of \$40,000.00, and could redeem the loan by teaching at a State college or, if no positions were available, at another institution of higher education in the State or at other agencies of State government.

This program should increase the number of minority faculty members with doctoral degrees particularly in the fields of mathematics and the physical sciences.

A903 (1984)

ASSEMBLY HIGHER EDUCATION AND REGULATED
PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 903

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 27, 1984

As amended by committee, this bill establishes a "Minority Faculty Advancement Loan and Loan Redemption Program" within the Department of Higher Education for students at Rutgers University or the New Jersey Institute of Technology who are enrolled in an eligible discipline in the Minority Advancement Program in Teaching and Research or at a private college or university which agrees to participate in the program. The purpose of the program is to enable minority faculty members at State colleges and other qualified minority individuals to obtain a doctoral degree in academic disciplines in which minorities are underrepresented. State college faculty members who are nominated for the program by their college will receive a leave of absence to participate in the program and a guarantee of re-employment upon its completion.

Under the bill's provisions, a program participant would first apply for a Guaranteed Student Loan (GSL). If the student is not eligible or has borrowed the maximum permitted under the GSL program, then he may apply for a direct loan of up to \$10,000.00 annually for a total loan indebtedness not to exceed \$40,000.00 per student. Direct loans will be interest free as long as the individual is in the program or is performing approved redemption service.

Once a student has completed his doctoral studies, the loan will be redeemed by the department upon his employment as a faculty member at a New Jersey State College. If the Chancellor determines that no appropriate position is available at a State college, then the faculty service requirement may be satisfied at another public or private college or university in New Jersey or any other agency of State government. Loans will be redeemed at a rate of 25% of the total for each full year of service. If the individual withdraws from the program or does not enter a redemption contract for State service, the loan will be repayed on the same conditions as a Guaranteed Student Loan.

The bill makes a maximum annual appropriation of \$400,000.00 for the program. The funds are to be transferred from the income of the

loan reserve fund of the Higher Education Assistance Authority (N. J. S. 18A:72-17).

Minority faculty members with doctoral degrees are underrepresented in New Jersey public colleges, especially in certain academic disciplines in the fields of science and mathematics. The State Department of Higher Education, Rutgers University and the State colleges have initiated a pilot program, the Minority Advancement Program in Teaching and Research, to help alleviate that shortage, utilizing private resources. The loan program provided for in this bill would provide the resources necessary to make the pilot program permanent. In addition to the loans, students in the program will receive a \$5,000.00 fellowship from the University's endowment.

Amendments

The committee amended the bill to: 1. provide that program participants who are not State college faculty members will be selected pursuant to procedures set forth by the Chancellor of Higher Education, and 2. allow for the participation of private colleges and universities in the program.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 903

[OFFICIAL COPY REPRINT]

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill establishes a "Minority Faculty Advancement Loan and Loan Redemption Program" within the Department of Higher Education. Its purpose is to enable minority faculty members at State colleges and other qualified minority group members to obtain a doctoral degree in an academic discipline in which minorities are underrepresented. State college faculty members who are nominated for the program by their college will receive a leave of absence and a guarantee of reemployment upon completion of the program. The program will operate at Rutgers University, New Jersey Institute of Technology and at any private institution which agrees to participate.

Eligible individuals may apply for loans of up to \$10,000.00 per year during as many as four years of study, for a maximum loan value of \$40,000.00. The loans are interest free so long as the recipient is enrolled in the program or is performing approved redemption service at a State college or other qualified employment. One quarter of the loan value will be cancelled for each full year of qualified employment service following completion of the program. If an individual withdraws from the program or does not enter into a loan redemption service contract with the Department of Higher Education, the loan becomes repayable on the same terms as a Guaranteed Student Loan.

FISCAL IMPACT:

The bill authorizes a maximum annual appropriation of \$400,000.00. Funds are to be transferred from the interest and investment income of the Higher Education Assistance Authority's loan reserve fund (N. J. S. 18A:72-17). In the event of an insufficiency of revenue from this source, the department shall request a State appropriation for the balance.

In recent years, annual income of the loan reserve fund has been approximately \$2.5 million, more than sufficient to finance the provisions of this bill.

PRIOR LEGISLATION:

A version of this bill (Senate Bill No. 3612 OCR) was released from the Senate Education Committee in the last session but was not acted upon by the full Senate.

COMMITTEE AMENDMENTS:

The committee added an amendment to clarify the faculty service requirement of program participants nominated by New Jersey higher education institutions other than State colleges. As amended, this bill is identical to Senate Bill No. 1026 (OCR), also amended and reported favorably by this committee.



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: PAUL WOLCOTT
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Release: THUR., NOV. 15, 1984

Governor Thomas H. Kean has signed legislation creating a loan/grant program for minority students participating in doctoral programs in mathematics and science.

The bill, A-903, was sponsored by Assemblywoman Mildred B. Garvin. It appropriates \$400,000 for the Minority Faculty Advancement Loan and Loan Redemption Program.

The program is designed to aid minority faculty who are teaching mathematics or science at a State college and who are also doctoral students at Rutgers University or the New Jersey Institute of Technology. Its purpose is to aid qualified minority faculty members to obtain a doctoral degree in academic disciplines in which minorities are traditionally under-represented.

"I see this as a very important program," Kean said. "New Jersey has a serious, ongoing need for fresh new teaching talent in the areas of mathematics and science. Encouraging minority faculty members to advance their academic careers in this area can only enhance the quality of our higher education system."

Under the program, faculty members who currently teach at public or private colleges in New Jersey may qualify for loans of up to \$10,000 per year, for a maximum of \$40,000. Upon completion of their doctoral program, loan recipients may redeem the loan by teaching at a college in the State, thereby retiring 25 percent of the loan each year.

- more -

Recipients who do not return to teaching in New Jersey would have to repay the loan in the same manner as other student loans are repaid.

The Governor also signed the following bills:

S-237, sponsored by State Senator Edward T. O'Connor, Jr., D-Hudson, which permits an attorney of record in an arbitration proceeding to issue a subpoena. The bill is designed to expedite the subpoena process in both private arbitration proceedings and those conducted through the New Jersey State Board of Mediation.

S-218, also sponsored by Senator O'Connor, which places the position of personnel officer for a local housing authority in the unclassified service of Civil Service.

S-1257, sponsored by State Senator John F. Russo, D-Ocean, which extends from eighteen months to two years the time period in which members of a county board of taxation must furnish proof that they have completed required training courses.

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