STATE OF NEW YORK

4157

2023-2024 Regular Sessions

IN SENATE

February 3, 2023

Introduced by Sen. SANDERS -- read twice and ordered printed, and when printed to be committed to the Committee on Higher Education

AN ACT to amend the education law, in relation to establishing the New York state loan redemption program for certain public school teachers

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The education law is amended by adding a new section 679-k to read as follows:

§ 679-k. New York state loan redemption program for certain public school teachers. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Eligible student loan expenses" means nine thousand dollars or the outstanding balance of the principal and interest due on student loans, whichever is less, used to cover the cost of attendance while enrolled in an undergraduate or graduate degree program at an institution of higher education.

(b) "Program participant" means a person who is initially hired by a school district following the effective date of this section and who meets the criteria of paragraph (a) of subdivision two of this section, and who has executed a contract with the corporation for participation in the loan redemption program. A program participant shall be a resident of New York state.

(c) "Public school" means a school located in New York, under collegiate grade, which is operated by a school district or a charter school established pursuant to article fifty-six of this chapter.

(d) "School district" means a common, union free, central, central high school or city school district.

2. (a) There is established in the corporation a loan redemption program for public school teachers who meet the following criteria:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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(i) graduated in the top twenty percent of the student's high school graduating class or scored in the top twenty percent on the Scholastic Assessment Test (SAT) or the American College Testing (ACT) examination;

(ii) graduated from an institution of higher education with a grade point average of at least 3.5; and

(iii) teaches science, technology, engineering or mathematics (STEM) classes or special education.

The program shall provide for the redemption of the eligible student loan expenses of a program participant following the third consecutive year of full-time employment as a teacher of science, technology, engineering, mathematics or special education in a public school.

(b) A program participant may redeem eligible student loan expenses upon execution of a contract between the program participant and the corporation. The contract shall specify the total amount of debt to be redeemed by the state in return for service pursuant to paragraph (c) of this subdivision.

(c) The redemption of loans under the loan redemption program shall amount to nine thousand dollars or the outstanding balance of the principal and interest of eligible student loan expenses, whichever is less, following the third consecutive year of full-time employment as a teacher of science, technology, engineering, mathematics or special education in a public school. A program participant shall submit to the corporation proof of eligible employment in a public school prior to redemption of loan indebtedness. A program participant is not required to teach at the same public school for three consecutive years.

(d) A program participant who has entered into a redemption contract with the corporation may nullify the contract by submitting written notification to the corporation and assuming full responsibility for repayment of principal and interest on the full amount of his or her loans or that portion of the loans which has not been redeemed by the state in return for fulfillment of the contract.

(e) In the case of the program participant's death or total and permanent disability, the corporation shall nullify the service obligation of the program participant. The nullification shall terminate the corporation's obligations under the loan redemption contract. If continued enforcement of the contract results in extreme hardship, the corporation may nullify or suspend the service obligation of the program participant.

3. The corporation shall annually submit a report on the program to the governor and to the legislature. The report shall be submitted no later than August first of each year and shall include, but not be limited to, information on the total number of participants receiving loan redemption under the program, the impact of the program on attracting teachers to teach STEM subjects or special education, and the number of participants who withdrew from the program prior to the completion of the required service.

4. The corporation, in consultation with the department, shall adopt rules and regulations necessary to effectuate the purposes of this section.

§ 2. This act shall take effect immediately.