

May Cause Potential Public Health Impacts			
Stressor	Designation	Measure	Source
Potential Lead Exposure	Baseline	Percent houses older than 1950	Most recent U.S. Census five-year ACS <sup>12</sup> data
Lack of Recreational Open Space	Affected	Population per acre of open space within 0.25 mile	Most recent NJDEP State, Local and Nonprofit Open Space of New Jersey data
Lack of Tree Canopy	Affected	Percent lack of tree canopy	Most recent USFS <sup>10</sup> Analytical Tree Canopy Cover data
Impervious Surface	Affected	Percent impervious surface	Most recent NJDEP County Impervious Surface of New Jersey data
Flooding (Land Use Cover)	Affected	Percent urban land use area flooded	Most recent NJDEP Urban Flooding data

<sup>9</sup>Private Well Testing Act  
<sup>10</sup>United States Forest Service

Density/Proximity Stressors			
Stressor	Designation	Measure	Source
Emergency Planning Sites	Affected	Sites per square mile	Most recent NJDEP Facility Density Data
Permitted Air Sites	Affected	Sites per square mile	Most recent NJDEP Facility Density Data
NJPDES <sup>11</sup> Sites	Affected	Sites per square mile	Most recent NJDEP Facility Density Data

<sup>11</sup>New Jersey Pollutant Discharge Elimination System

Social Determinants of Health			
Stressor	Designation	Measure	Source
Unemployment	Baseline	Percent unemployed	Most recent U.S. Census Bureau five-year ACS <sup>12</sup> data
Education	Baseline	Percent without high school diploma	Most recent U.S. Census Bureau five-year ACS data

<sup>12</sup>American Community Survey

## HIGHER EDUCATION

### (a)

#### HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

#### Student Loan and College Savings Programs Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools

#### Proposed New Rules: N.J.A.C. 9A:10-8

Authorized By: Higher Education Student Assistance Authority, Christy Van Horn, Chairperson.

Authority: P.L. 2021, c. 384.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2022-079.

Submit written comments by August 5, 2022, to:

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 Administrative Practice Officer  
 Higher Education Student Assistance Authority  
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The agency proposal follows:

#### Summary

On January 18, 2022, Governor Murphy signed P.L. 2021, c. 384, establishing a loan redemption program for newly hired teachers in high-need fields who are employed in low-performing schools (Act). The Act provides that the Higher Education Student Assistance Authority (Authority), in consultation with the Department of Education, shall adopt rules necessary for the administration of the Act.

The Act authorizes redemptions of 25 percent of the outstanding principal and interest amount of a program participant’s loan from the New Jersey College Loans to Assist State Students (NJCLASS) program, in an amount up to \$5,000, in return for each consecutive full year of service teaching in a high-need field in a low-performing school. The total amount of a participant’s outstanding NJCLASS loan principal and interest balance that may be redeemed under the program, for a participant who completes four full school years of service, shall not exceed \$20,000.

The proposed new rules govern the policy, administration, and procedures of the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools (Program), and are summarized below.

The subchapter heading establishes the name of the program for which these proposed new rules will be promulgated, as the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools.

Pursuant to the Act, proposed new N.J.A.C. 9A:10-8.1 provides that the purpose of the proposed new subchapter is to provide redemptions of 25 percent of principal and interest of a Program participant’s NJCLASS loan amounts up to \$5,000 in return for each consecutive full year of service teaching in a high-need field in a low-performing school and that the total amount of NJCLASS loan amounts that may be redeemed under

the Program by a Program participant, for four full school years of service, shall not exceed \$20,000.

Proposed new N.J.A.C. 9A:10-8.2 provides the definitions for words and terms used within this subchapter, which include "Authority," "Department," "Executive Director," "low-performing school," "high-need field," "Program," "Program participant," "public school," "teacher," and "total and permanent disability."

Proposed new N.J.A.C. 9A:10-8.3 provides the eligibility requirements that an applicant must meet in order to participate in the Program pursuant to subparagraph 2.a of the Act.

Proposed new N.J.A.C. 9A:10-8.4 establishes the application procedures that an applicant must follow to participate in the Program. Proposed new N.J.A.C. 9A:10-8.4(a) provides the minimum information required by the application, specifically, the applicant's identification and contact information, certification of full-time employment from the applicant's current or anticipated employer, including the start date, and the account numbers for the applicant's outstanding NJCLASS loans.

Proposed new N.J.A.C. 9A:10-8.4(b) establishes that applications will be considered in the order they are received, subject to available funding.

Proposed new N.J.A.C. 9A:10-8.4(c) provides that eligibility is based solely on the information submitted on the application and that the Authority will notify applicants of their acceptance into the Program.

Proposed new N.J.A.C. 9A:10-8.5 provides the terms that participants must meet in order for the Authority to release funds for loan redemption. Pursuant to subparagraph 2.a of the Act, proposed new N.J.A.C. 9A:10-8.5(a) provides that the process of establishing eligibility for loan redemption funds is initiated by a written contract between the participant and the Authority. The contract specifies the duration of the participant's approved employment service obligation, not to exceed four school years, and the total amount of NJCLASS loans to be redeemed by the Authority in return for service.

Pursuant to subparagraph 2.d of the Act, proposed new N.J.A.C. 9A:10-8.5(b) specifies that the loan redemption under the Program shall amount to 25 percent of principal and interest of a Program participant's outstanding NJCLASS loan amount, not exceed \$5,000, in return for each consecutive full school year of approved employment service successfully completed by the Program participant and that the total loan redemption amount for a Program participant shall not exceed \$20,000. Proposed new N.J.A.C. 9A:10-8.5(b)1 provides that the Authority will encumber up to \$20,000 of Program funds, as necessary, to provide for the redemption of the participant's outstanding NJCLASS loans upon the applicant's acceptance into the Program and execution of the written contract with the Authority.

To verify that Program participants meet the employment requirements for loan redemption, proposed new N.J.A.C. 9A:10-8.5(c) requires participants to submit to the Authority certification, in the form approved by the Authority, of full-time employment.

Pursuant to subparagraph 2.c., proposed new N.J.A.C. 9A:10-8.5(d) provides that a Program participant may remain in the Program in the event that either the public school in which the teacher is employed loses its designation as a low-performing school or the teacher is transferred to a school in the district that is not a low-performing school; or the high-need field in which the Program participant is teaching pursuant to the Program service obligation subsequently loses its designation as a high-need field, and the Program participant continues to teach in the same field in accordance with the Program participant's contractual agreement with the Authority.

Proposed new N.J.A.C. 9A:10-8.5(e) establishes that Program participants are not eligible for any benefits under the Program for less than a full school year of service pursuant to subparagraph 2.d of the Act.

Pursuant to subparagraph 2.f., proposed new N.J.A.C. 9A:10-8.6 outlines the conditions for termination or suspension of the participant's participation contract. Proposed new N.J.A.C. 9A:10-8.6(a) provides that the Authority will terminate a participant's contract if: the participant is totally and permanently disabled; the participant is deceased; continued enforcement of the employment service obligation may result in an extreme hardship for the participant; the participant is no longer teaching in a high-need field at a low-performing school; the participant's license has been revoked; the participant has been convicted of a felony or a high misdemeanor or has committed an act of gross negligence in the

performance of the participant's employment service obligation; or the participant has not provided the documentation required prior to annual redemption of loan indebtedness within 60 days of written request for the required documents by the Authority.

Proposed new N.J.A.C. 9A:10-8.6(b) provides that the Authority will suspend the participant's participation contract if continued enforcement of the employment service obligation may result in extreme hardship for the participant. The proposed new subsection defines extreme hardship to include temporary disability, active duty military service, or temporary suspension of the participant's professional license pending the outcome of an investigation. The subsection further provides that the contract may be suspended for up to two years, but that it may be extended under exceptional circumstances.

Proposed new N.J.A.C. 9A:10-8.6(c) provides that the participant can nullify the participation contract by notifying the Authority in writing. Proposed new N.J.A.C. 9A:10-8.6(d) establishes that the Authority has final decision-making authority to terminate a participation contract. Proposed new N.J.A.C. 9A:10-8.6(e) advises participants that, if a participation agreement is terminated or nullified, the participant is not eligible to reapply to participate in the Program.

Proposed new N.J.A.C. 9A:10-8.7 sets forth the procedures that an applicant must follow in order to appeal a notification of ineligibility for Program participation from the Authority and also requires the Authority to be responsible for providing the Authority's final decision on the appeal to the applicant within 30 days of receipt of the appeal.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

#### **Social Impact**

The proposed new rules are intended to address the need for qualified teachers in high-need fields in low-performing schools. Providing NJCLASS loan redemption in exchange for up to four years of service will encourage qualified teachers to accept jobs at low-performing schools, thereby improving the education of New Jersey's students in these schools.

#### **Economic Impact**

The Act caps annual appropriations for the Program at \$1 million, therefore, the economic impact of the proposed new rules is capped at \$1 million per year.

#### **Federal Standards Statement**

A Federal standards analysis is not required since the proposed new rules are not subject to any Federal requirements or standards.

#### **Jobs Impact**

The proposed new rules will not result in the loss or generation of jobs but will encourage teachers to accept jobs in low-performing school districts.

#### **Agriculture Industry Impact**

The proposed new rules will have no impact on the agriculture industry.

#### **Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the proposed new rules do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed new rules address the shortage of qualified teachers in high-need fields in low-performing school districts.

#### **Housing Affordability Impact Analysis**

The proposed new rules will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the proposed new rules would evoke a change in the average costs associated with housing because the proposed new rules concern loan redemptions for teachers.

#### **Smart Growth Development Impact**

The proposed new rules will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed new rules would evoke a change in housing production in Planning Areas 1 or 2, or

within designated centers, under the State Development and Redevelopment Plan in New Jersey because the proposed new rules concern loan redemptions for teachers.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Authority has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposed new rules follows:

**SUBCHAPTER 8 LOAN REDEMPTION PROGRAM FOR TEACHERS IN HIGH-NEED FIELDS EMPLOYED IN LOW-PERFORMING SCHOOLS**

**9A:10-8.1 Purpose and scope**

The rules established by this subchapter provide the policies and procedures for participation in the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools administered by the Higher Education Student Assistance Authority (Authority). This program shall provide redemptions of 25 percent of the outstanding principal and interest balance of a Program participant’s New Jersey College Loans to Assist State Students (NJCLASS) loan amounts, up to \$5,000, in return for each consecutive full year of service teaching in a high-need field in a low-performing school. The total amount of NJCLASS loan amounts that may be redeemed under the Program by a Program participant, for four full school years of service, shall not exceed \$20,000.

**9A:10-8.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Authority” means the Higher Education Student Assistance Authority.

“Department” means the Department of Education.

“Executive Director” means the Executive Director of the Higher Education Student Assistance Authority.

“High-need field” means a subject area or field of expertise in which there is a shortage of qualified teachers in the State, as determined by the Department of Education and reported to the United States Department of Education. The Department shall reassess its designation of high-need fields at least every five years. The Authority shall provide a link to the list of high-need fields that is posted on the United States Department of Education’s website.

“Low-performing school” means any public school at which, among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments exceeded 40 percent in each of the prior two school years; or in either the language arts or mathematics subject areas of the State assessment exceeded 65 percent in each of the prior two school years. A school shall continue to be designated a low-performing school until such time that the sum of the percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments is less than, or equal to, the sum of the Statewide percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories on the corresponding Statewide assessments. The term “low-performing schools” is defined solely for the purposes of this loan redemption program. For all other purposes, the Department of Education uses the term “comprehensive and targeted schools”, which should not be conflated with this definition.

“Program” means the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools established pursuant to P.L. 2021, c. 384.

“Program participant” means an undergraduate student borrower under the New Jersey College Loans to Assist State Students (NJCLASS) Loan

Program established pursuant to N.J.S.A. 18A:71C-21 who, after January 18, 2022, the effective date of P.L. 2021, c. 384, is initially hired by a school district to work as a teacher in a high-need field in a low-performing school, and who is employed in a high-need field in a low-performing school at the time of application.

“Public school” means a school located within a district board of education or within a charter or a renaissance school board of trustees.

“Teacher” means a person who holds an instructional certification or educational services certification from the Department.

“Total and permanent disability” means a physical or mental disability that is expected to continue indefinitely or result in death and renders a Program participant unable to perform that person’s employment obligation, as determined by the Executive Director, or the Executive Director’s designee.

**9A:10-8.3 Eligibility requirements for Program participation**

(a) To be eligible for participation in the Program, an applicant must:

1. Be a New Jersey resident and maintain residency in the State during Program participation;
2. Have an outstanding balance on an NJCLASS loan and not be in default on any NJCLASS loans;
3. Be certified by the Department to teach in New Jersey;
4. Have been initially hired to teach in a high-need field in a low-performing school on or after January 18, 2022, and be employed in a high-need field in a low-performing school at the time of application; and
5. Not previously have been selected for participation in the Program.

**9A:10-8.4 Application procedures**

(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority.

1. The Program application includes, but is not limited to:

- i. The applicant’s identification and contact information;
- ii. Certification of full-time employment for a full school year from the applicant’s current employer or anticipated employer, including the start date; and
- iii. The account numbers for the applicant’s outstanding NJCLASS loans.

(b) The Authority will consider applications for approval of Program participation in the date order they are received, subject to available funding.

(c) The Authority will determine the applicant’s eligibility for the Program based upon the information submitted on the application and will provide notification to the applicant of their acceptance into the Program.

**9A:10-8.5 Terms for loan redemption**

(a) An applicant who has been selected for participation in the Program shall enter into a written contract with the Authority. The contract shall specify the duration of the participant’s approved employment service obligation, not to exceed four school years, and the total amount of NJCLASS loans to be redeemed by the Authority in return for service.

(b) Loan redemption under the Program shall amount to 25 percent of principal and interest of a Program participant’s outstanding NJCLASS loan amount, not to exceed \$5,000, in return for each consecutive full school year of approved employment service successfully completed by the Program participant. The total loan redemption amount for a Program participant shall not exceed \$20,000.

1. At the time an applicant is accepted as a Program participant and has entered into a written contract with the Authority, the Authority will encumber up to \$20,000 of Program funds, as necessary, to provide for the redemption of the participant’s outstanding NJCLASS loans.

(c) In order for a participant to qualify for an annual redemption payment, the Program participant shall submit to the Authority certification, in the form approved by the Authority, of full-time employment in a high-need field at a low-performing school for the school year.

(d) A Program participant who has entered into a contract with the Authority shall remain eligible for loan redemption under the contract in the event that:

1. The public school in which the teacher is employed loses its designation as a low-performing school or the teacher is transferred to a school in the district that is not a low-performing school; or

2. The high-need field in which the Program participant is teaching pursuant to the Program service obligation subsequently loses its designation as a high-need field, and the Program participant continues to teach in the same field, in accordance with the Program participant's contractual agreement with the Authority.

(e) No amount of loan redemption shall be provided for service performed for less than a full school year.

9A:10-8.6 Termination or suspension of the Program participant's participation contract

(a) The Authority shall terminate the Program participant's participation contract if it determines:

1. On the basis of a sworn affidavit of a qualified physician, that the participant is totally and permanently disabled;

2. On the basis of a death certificate, or other evidence of death that is conclusive under State law, that the participant has died;

3. On the basis of substantiating documentation, as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant;

4. That the participant is no longer teaching in a high-need field at a low-performing school, except as permitted at N.J.A.C. 9A:10-8.5(d);

5. That the participant's certification has been revoked;

6. That the participant has been convicted of a felony and/or a high misdemeanor, as defined at N.J.S.A. 2C:1-4.d, has committed an act of gross negligence in the performance of his or her employment service obligation, or that the participant has not met the employer's performance standards; or

7. The participant has not submitted the certification required pursuant to N.J.A.C. 9A:10-8.5(c) to receive the loan redemption within 60 days of written request for the required documents by the Authority.

(b) The Authority may suspend the Program participant's participation contract if the Authority determines, on the basis of substantiating documentation, as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant. Extreme hardships include, but are not limited to, temporary disability, active duty military service, or temporary suspension of the participant's professional license pending the outcome of an investigation.

1. The Authority may suspend the Program participant's participation contract for a period of up to two calendar years from the date the suspension commences. At the end of the first year of suspension, the participant must provide the Authority with substantiating documentation, as defined in this subsection, to renew the suspension for a second year.

2. The suspension, as stipulated at (b)1 above, may be extended beyond two years for exceptional circumstances at the discretion of the Authority on the basis of substantiating documentation, as defined in this subsection.

(c) A participant may nullify the participation contract by notifying the Authority, in writing.

(d) The Authority shall have final decision-making authority to terminate a participant's participation contract.

(e) Participants who nullify their participation agreement, or whose participation agreements are terminated by the Authority, are not eligible to reapply to participate in the Program.

9A:10-8.7 Appeals process

(a) When an applicant has received a notification of ineligibility for Program participation, the applicant may submit a written appeal to the Authority within 30 days of the date of the notification. The written appeal must include the following:

1. A copy of the notification of ineligibility received by the applicant from the Authority; and

2. The reason(s) why the applicant feels the applicant is eligible to participate in the Program, along with any documentation that the applicant has obtained to support the appeal, if applicable.

(b) Within 30 days of the receipt of the appeal, the Authority shall provide the applicant with the Authority's final determination of the

appeal. Final decisions of the Authority can be appealed to the Appellate Division of the Superior Court.

## INSURANCE

### (a)

#### DEPARTMENT OF BANKING AND INSURANCE OFFICE OF SOLVENCY REGULATION

##### Credit for Reinsurance

##### Proposed Amendments: N.J.A.C. 11:2-28.7 through 28.7B, 28.8, 28.10, 28.12, and 11:2-28 Appendix

##### Proposed New Rule: N.J.A.C. 11:2-28.7E

Authorized By: Marlene Caride, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8.1, 17:1-15.e, and 17:51B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2022-071.

Submit comments by August 5, 2022, to:

Denise M. Illes, Chief  
Office of Regulatory Affairs  
New Jersey Department of Banking and Insurance  
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The agency proposal follows:

#### Summary

The Department of Banking and Insurance (Department) proposes amendments and a new rule to reflect amendments to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Regulation. The proposed amendments and new rule are necessary to avoid Federal preemption and maintain New Jersey's NAIC accreditation status, as described more fully below.

Title V of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 31 U.S.C. §§ 313 and 314, established the Federal Insurance Office (FIO), and authorizes the United States Secretary of the Treasury and the United States Trade Representative to negotiate and enter into covered agreements on behalf of the United States. A covered agreement is defined at 31 U.S.C. § 313(r)(2) as an agreement entered into between the United States and foreign government(s) on prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for consumers that is "substantially equivalent" to the level of protection under state law. 31 U.S.C. § 313(f) mandates the preemption of state law insurance measures to the extent that the Director of the FIO determines that the measure is inconsistent with a covered agreement and results in less favorable treatment of a non-U.S. insurer domiciled in a foreign jurisdiction that is subject to a covered agreement than a U.S. insurer domiciled, licensed, or otherwise admitted in that state.

On September 22, 2017 and December 19, 2018, the United States entered into covered agreements with the European Union (E.U.) and the United Kingdom (U.K.), respectively (Covered Agreements). Among other things, the Covered Agreements bilaterally eliminate local requirements for reinsurers based in the other jurisdiction to post collateral or establish a local presence, both as a prerequisite to reinsurance placement, as well as a condition to receive financial statement credit for the reinsurance. Article 9(4) of the Covered Agreements require the Director of the FIO to complete any necessary preemption determinations, regarding state law insurance measures, 60 months after the date of signature.

On June 25, 2019, the NAIC adopted amendments to the Credit for Reinsurance Model Law (Model Law) and Credit for Reinsurance Model