

RULE PROPOSALS

INTERESTED PERSONS

Interested persons may submit comments, information or arguments concerning any of the rule proposals in this issue until the date indicated in the proposal. Submissions and any inquiries about submissions should be addressed to the agency officer specified for a particular proposal.

The required minimum period for comment concerning a proposal is 30 days. A proposing agency may extend the 30-day comment period to accommodate public hearings or to elicit greater public response to a proposed new rule or amendment. Most notices of proposal include a 60-day comment period, in order to qualify the notice for an exception to the rulemaking calendar requirements of N.J.S.A. 52:14B-3. An extended comment deadline will be noted in the heading of a proposal or appear in subsequent notice in the Register.

At the close of the period for comments, the proposing agency may thereafter adopt a proposal, without change, or with changes not in violation of the rulemaking procedures at N.J.A.C. 1:30-6.3. The adoption becomes effective upon publication in the Register of a notice of adoption, unless otherwise indicated in the adoption notice. Promulgation in the New Jersey Register establishes a new or amended rule as an official part of the New Jersey Administrative Code.

HIGHER EDUCATION

(a)

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Student Loan and College Savings Programs Policy Governing New Jersey Better Educational Savings Trust (NJBEST) Program

Proposed Amendment: N.J.A.C. 9A:10-7.5

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

Authority: N.J.S.A. 18A:71A-1 et seq., and 18A:71C-35 et seq.

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

Proposal Number: PRN 2017-272.

Submit written comments by February 16, 2018, to:

Marnie B. Grodman, Esquire
Administrative Practice Officer
Higher Education Student Assistance Authority
PO Box 545
Trenton, NJ 08625-0545
E-mail: Regulations@hesaa.org

The agency proposal follows:

Summary

The Higher Education Student Assistance Authority (Authority) is statutorily responsible for the administration of the State's higher education savings program, the New Jersey Better Educational Savings Trust (NJBEST) Program, and for the promulgation of all rules to that effect, pursuant to N.J.S.A. 18A:71B-35 et seq. NJBEST is administered in accordance with section 529 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 529.

Through the NJBEST Program, money saved by parents, grandparents, or others is invested for a designated beneficiary. When the designated beneficiary is ready to attend college, the principal and interest earned can be used for college costs.

Pursuant to N.J.S.A. 18A:71B-35.c, "[i]ncentives are needed to encourage families to save for college education." NJBEST provides an incentive to families to save for college by offering a supplemental NJBEST scholarship if the designated beneficiary attends an eligible higher education institution in New Jersey. As an additional incentive, the Authority is proposing to amend the rules to authorize an additional incentive program whereby the Authority will provide a one-time dollar for dollar matching contribution equal to the amount of the account owner's initial contribution, not to exceed \$1,000. The matching

contribution will be subject to the availability of excess funds in the NJBEST scholarship account. The proposed amendments are summarized below:

The Authority proposes to add new N.J.A.C. 9A:10-7.5(g) to enumerate the provisions of the one-time matching contribution.

The proposed amendment would add N.J.A.C. 9A:10-7.5(g)1 to set the minimum initial contribution amount at \$100.00.

To encourage contributors to continue making contributions to their NJBEST accounts, the proposed amendment would add N.J.A.C. 9A:10-7.5(g)2 to require contributors to make monthly automatic deposits of at least \$25.00 for at least 12 months after opening the account.

To discourage contributors from closing the account after they have received the matching contribution, the proposed amendment adds N.J.A.C. 9A:10-7.5(g)3 to require the account to remain open for three years following the deposit of the matching contribution, or the matching funds will be forfeited back to the Authority.

The proposed amendment adds N.J.A.C. 9A:10-7.5(g)4 to provide the formula for ensuring that there are sufficient funds to finance this program. The proposed formula provides that funding for the matching contribution each year will equal the amount the total NJBEST Administrative Fund exceeds 20 times the average cost to finance NJBEST scholarships including related administrative expenses, for the previous three years.

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 amendments have a positive effect on families by providing an additional incentive to save for college and encourage long-term savings. Because of its modest minimum contribution requirements, the proposed amendments facilitate access to college from a broad economic spectrum of New Jersey families.

Economic Impact

The proposed amendments have a positive economic impact on the families that choose to avail themselves of the matching contributions. There will be no cost to the State as the program will be solely financed through excess funds in the NJBEST scholarship accounts.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not intended to exceed the statutory requirements for a state college savings program to receive favorable Federal tax treatment under section 529 of the Federal Internal Revenue Code of 1986, 26 U.S.C. § 529 and are consistent with administrative guidance from the Internal Revenue Service.

Jobs Impact

Because the NJBEST Program provides incentives for saving for college and encourages participation from a broad economic spectrum,

this program promotes access to economic development through higher education. The proposed amendments will not result in the loss or generation of jobs, but do offer an additional incentive to save for college, thereby adding to the skilled workforce to meet employer needs.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendments to the NJBEST Program 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 participants in this program are individuals, not businesses.

Housing Affordability Impact Analysis

The proposed amendments will have an insignificant impact on the affordability of housing in New Jersey. There is an extreme unlikelihood that the proposed amendments would evoke a change in the average costs associated with housing because the proposed amendments concern higher education savings plans, which have no impact on housing.

Smart Growth Development Impact Analysis

The proposed amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the amendments 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. The proposed amendments concern higher education savings plans, which have no impact on housing.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 7. POLICY GOVERNING NEW JERSEY BETTER EDUCATIONAL SAVINGS TRUST (NJBEST) PROGRAM

9A:10-7.5 Contributions

(a)-(f) (No change.)

(g) For new NJBEST 529 College Savings Plan accounts opened on or after June 1, 2018, the Authority will provide a one-time, matching contribution equal to the amount of the account owner's initial contribution, not to exceed \$1,000. The matching contribution will be deposited into the contributor's account after the contributor has made 12 automatic deposits of at least \$25.00 into the account provided:

1. The initial contribution into the NJBEST 529 College Savings Plan account is at least \$100.00;

2. The contributor makes monthly contributions of at least \$25.00 by automatic deposit for at least 12 months following the opening of the account;

3. The NJBEST 529 College Savings Plan account remains open for a minimum of three years following the deposit of the matching contribution into the contributor's account, or the matching funds will be forfeited back to the Authority; and

4. Sufficient funds are available for the Authority to provide matching contributions.

i. Funding for the matching contribution each year will equal the amount the total NJBEST Administrative Fund exceeds 20 times the average cost to finance NJBEST scholarships, including related administrative expenses, for the previous three years.

STATE

(a)

DIVISION OF THE STATE LIBRARY

State Library Aid and Grants

Proposed Readoption with Amendments: N.J.A.C. 15:21

Proposed Repeals: N.J.A.C. 15:21-2.13, 3, 6, 7, and 8

Authorized By: Mary L. Chute, State Librarian (with the approval of George A. Pruitt, Ph. D., President, Thomas Edison State University).

Authority: N.J.S.A. 18A:74-1 et seq., particularly 18A:74-10.

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

Proposal Number: PRN 2017-273.

Submit written comments by February 16, 2018, to:

Bob Keith, Director of Library Law, State Aid & Statistics
New Jersey State Library
PO Box 520
Trenton New Jersey 08625-0520
Fax: (609) 278-2650
E-mail: rkeith@njstatelib.org

The agency proposal follows:

Summary

The Division of the State Library (Division) proposes to readopt with amendments and repeals, N.J.A.C. 15:21, State Library Aid and Grants, pursuant to Executive Order No. 66 (1978) and N.J.S.A. 52:14B-5.1.c. The rules in this chapter were scheduled to expire on November 12, 2017. As the Division filed this notice of readoption with the Office of Administrative Law prior to that date, the expiration date is extended 180 days to May 11, 2018, pursuant to N.J.S.A. 52:14B-5.1.c(2).

The rules implement the provisions of P.L. 1967, c. 28, P.L. 1983, c. 487, and P.L. 1985, c. 297 (N.J.S.A. 18A:74-1 et seq.), which provide for the administration of funding assistance programs and aid to New Jersey libraries. The rules also implement the provisions of P.L. 1967, c. 271, and P.L. 1973, c. 381 (N.J.S.A. 18A:74-6 and 14), which provide for incentive, emergency, and construction assistance to the State's public libraries. Amendments in subchapters are proposed to clarify and assure consistency of language and definitions. By notice of administrative change published in the March 15, 1999 issue of the New Jersey Register at 31 N.J.R. 776(a), these rules formerly at N.J.A.C. 6:68 were recodified to N.J.A.C. 15:21, effective February 18, 1999.

An administrative review has been conducted and a determination made that, with the exception of the proposed amendments and repeals described below, these rules are necessary, reasonable, and proper for the purposes for which they were originally promulgated as required by Executive Order No. 66 (1978), and the State Library is, therefore, proposing them for readoption with amendments and repeals at this time. Please note that the substantive provisions of the rules proposed to be readopted and amended or repealed are summarized below. Minor clarifying and/or technical amendments are also proposed that do not change the meaning of the text.

A summary of N.J.A.C. 15:21 and the proposed amendments and repeals follows:

Subchapter 1. General Provisions

N.J.A.C. 15:21-1 describes the general requirements that apply to State-funded library grant programs: grant application procedures, criteria for approval, reports and audits required, notification of applicants, appeal procedures, and definitions.

N.J.A.C. 15:21-1.1 is proposed for amendment to include library aid programs available.

N.J.A.C. 15:21-1.2 defines the terms that apply throughout the chapter and is proposed for amendment to reflect the consolidation of multiple regional library cooperatives into one Statewide library cooperative.