

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 Air Traffic Controller Loan Redemption Program Proposed New Rules: N.J.A.C. 9A:10-10

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

Authority: P.L. 2025, c. 269.

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

Proposal Number: PRN 2026-029.

Submit written comments by August 14, 2026, to:

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

The agency proposal follows:

Summary

On January 12, 2026, Governor Murphy signed P.L. 2025, c. 269, which establishes an Air Traffic Controller Loan Redemption Program, supports partnerships between public institutions of higher education and the Federal Air Traffic-Collegiate Training Initiative, and establishes a Center for Study of Unidentified Aerial Phenomena (Act). The Act provides that the Higher Education Student Assistance Authority (Authority) shall adopt rules necessary to implement the Air Traffic Controller Loan Redemption Program (Program).

The Act authorizes the redemption of qualifying student loans in an amount of 16 percent of the Program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Pursuant to the Act, total redemption of qualifying student loan amounts pursuant to the Program shall not exceed \$100,000.

The proposed new rules govern the policy, administration, and procedures of the Air Traffic Controller Loan Redemption 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 Air Traffic Controller Loan Redemption Program.

Pursuant to the Act, proposed new N.J.A.C. 9A:10-10.1 provides that the purpose of the proposed new subchapter is to provide redemptions not to exceed \$100,000 of principal and interest of eligible student loan expenses for up to four years of service.

Proposed new N.J.A.C. 9A:10-10.2 provides the definitions for words and terms used within this subchapter, which include "approved site," "Authority," "eligible air traffic controller," "Executive Director," "Program," "Program participant," "qualified physician," "qualifying student loan amounts," and "total and permanent disability."

Proposed new N.J.A.C. 9A:10-10.3 provides the eligibility requirements that an applicant must meet in order to participate in the Program pursuant to subparagraph 2.b of the Act.

Proposed new N.J.A.C. 9A:10-10.4 establishes the application procedures that an applicant must follow to participate in the Program. Proposed new N.J.A.C. 9A:10-10.4(a) provides the minimum information required by the application, specifically, the applicant's identification and contact information, certification of employment as an air traffic controller at an approved site from the Federal Aviation Administration, and documentation evidencing qualifying student loan amounts.

Proposed new N.J.A.C. 9A:10-10.4(b) establishes that applications will be considered in the order they are received, subject to available funding.

Proposed new N.J.A.C. 9A:10-10.4(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:10-10.5 provides the terms that participants must meet in order for the Authority to release funds for loan redemption. Pursuant to subparagraph 2.d of the Act, proposed new N.J.A.C. 9A:10-10.5(a) provides that applicants selected for Program participation must enter into a contract with the Authority. The contract specifies the duration of the participant's approved employment service obligation, not to exceed four years, and the total amount of qualifying loans to be redeemed by the Authority in return for service.

Pursuant to subparagraph 2.e of the Act, proposed new N.J.A.C. 9A:10-10.5(b) specifies that the loan redemption under the Program shall amount to 16 percent of the Program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Total loan redemption for a Program participant shall not exceed \$100,000. Proposed new N.J.A.C. 9A:10-10.5(b)1 provides that the Authority will encumber up to \$100,000 of Program funds, as necessary, to provide for the redemption of the participant's outstanding qualifying 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:10-10.5(c) requires

participants to submit to the Authority certification, in the form approved by the Authority, of employment.

Proposed new N.J.A.C. 9A:10-10.5(d) establishes that Program participants are not eligible for any benefits through the Program for less than a full year of service pursuant to subparagraph 2.g of the Act.

Pursuant to subparagraph 3.a of the Act, proposed new N.J.A.C. 9A:10-10.6 outlines the conditions for termination or suspension of the participant's participation contract. Proposed new N.J.A.C. 9A:10-10.6(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 employed as an air traffic controller at an approved site; 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:10-10.6(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 medical clearance or 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 in exceptional circumstances.

Proposed new N.J.A.C. 9A:10-10.6(c) provides that the participant can nullify the participation contract by notifying the Authority, in writing. Proposed new N.J.A.C. 9A:10-10.6(d) establishes that the Authority has final decision-making authority to terminate a participation contract when a participant violates the eligibility requirements. Proposed new N.J.A.C. 9A:10-10.6(e) advises participants that, if a participation contract is terminated or nullified, the participant is not eligible to reapply to participate in the Program.

Proposed new N.J.A.C. 9A:10-10.7 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 air traffic controllers. Providing student loan redemption in exchange for up to four years of service will encourage people to enter the profession, thereby increasing the number of qualified air traffic controllers supporting New Jersey's airspace.

Economic Impact

The Act appropriates \$1 million to fund the Program, five percent of which is dedicated to Program administration. Additionally, the fiscal year 2026 Appropriations Act, P.L. 2025, c. 74, appropriated an additional \$1 million for the Program. The costs to administer the Program following the first year is scalable because the number of participants accepted into the Program will be determined annually to fit within the appropriation.

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 people to pursue a career as an air traffic controller.

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 air traffic controllers.

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 air traffic controllers.

Smart Growth Development Impact Analysis

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, pursuant to the State Development and Redevelopment Plan in New Jersey because the proposed new rules concern loan redemptions for air traffic controllers.

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 10. AIR TRAFFIC CONTROLLER LOAN REDEMPTION PROGRAM

9A:10-10.1 Purpose and scope

The rules established by this subchapter provide the policies and procedures for participation in the Air Traffic Controller Loan Redemption Program administered by the Higher Education Student Assistance Authority. This Program shall provide redemptions not to exceed \$100,000 of principal and interest of eligible student loan expenses, for up to four years of service.

9A:10-10.2 Definitions

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

"Approved site" means an airport located within the State or operated by a multi-State agency serving the State or a Terminal Radar Approach Control, Air Route Control Center, or any other similar Federal Aviation Administration facility serving an airport located within the State or operated by a multi-State agency serving the State.

"Authority" means the Higher Education Student Assistance Authority.

"Eligible air traffic controller" means an air traffic controller holding an appropriate degree who commences employment with the Federal Aviation Administration on or after January 12, 2026.

"Executive Director" means the Executive Director of the Higher Education Student Assistance Authority.

"Program" means the Air Traffic Controller Loan Redemption Program established pursuant to section 3 at P.L. 2025, c. 269.

"Program participant" means an eligible air traffic controller who contracts with the Authority to be an air traffic controller at an approved site in exchange for the redemption of qualifying student loan amounts.

"Qualified physician" means a doctor of medicine or a doctor of osteopathy who is legally licensed to practice in the United States.

"Qualifying student loan amounts" means the cumulative outstanding balance of Federal, State, or commercial student loans at the time an applicant is selected for the Program, which an applicant has borrowed to pay for the cost of attendance for undergraduate or graduate education at an institution of higher education. Interest paid or due on qualifying student loan amounts shall be considered eligible for redemption pursuant to the Program.

"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 service obligation, as determined by the Executive Director, or the Executive Director's designee.

9A:10-10.3 Eligibility requirements for Program participation

- (a) To be eligible for participation in the Program, an applicant shall:
1. Be a New Jersey resident and maintain residency in the State during Program participation;
 2. Be employed as an eligible air traffic controller at an approved site;
 3. Agree to remain employed as an air traffic controller at an eligible site pursuant to the terms specified at N.J.A.C. 9A:10-10.5;
 4. Not be in default on any eligible qualifying loan; and
 5. Not previously have been selected for participation in the Program.

9A:10-10.4 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 from the Federal Aviation Administration of employment as an air traffic controller at an approved site; and
 - iii. Documentation evidencing qualifying student loan amounts.

(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:10-10.5 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 start date of the Program participant's service obligation, the duration of the participant's employment obligation, not to exceed four years, and the total amount of qualifying student loans to be redeemed by the Authority in return for service.

(b) Loan redemption pursuant to the Program shall amount to 16 percent of the Program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Total loan redemption for a Program participant shall not exceed \$100,000.

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 \$100,000 of Program funds, as necessary, to provide for the redemption of the participant's outstanding qualifying student loan amounts.

(c) In order for a participant to qualify for a redemption payment, the Program participant shall submit to the Authority certification, in the form approved by the Authority, of employment as an eligible air traffic controller at an approved site for the previous year.

(d) No amount of loan redemption shall be provided for service performed for less than one full year.

9A:10-10.6 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 has a total and permanent disability;

2. On the basis of a death certificate, or other evidence of death that is conclusive pursuant to 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 employed as an eligible air traffic controller at an approved site; or

5. The participant has not submitted the certification required pursuant to N.J.A.C. 9A:10-10.5(c) to receive the loan redemption within 60 days of the 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 qualifications, pending medical clearance or the outcome of an investigation, as applicable.

1. The Authority may suspend the 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 when a participant violates the eligibility requirements.

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

9A:10-10.7 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 reasons why the applicant believes 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.