

[First Reprint]

SENATE, No. 2872

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED JUNE 16, 2022

Sponsored by:

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

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District 29 (Essex)

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Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Co-Sponsored by:

Senators O'Scanlon, Codey, Assemblyman Mukherji, Assemblywomen Jimenez, Lampitt and Assemblyman Conaway

SYNOPSIS

Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 27, 2022, with amendments.

(Sponsorship Updated As Of: 6/29/2022)

1 AN ACT establishing the Behavioral Healthcare Provider Loan
2 Redemption Program within the Higher Education Student
3 Assistance Authority, supplementing chapter 71C of Title 18A of
4 the New Jersey Statutes, and making an appropriation.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. As used in this act:

10 "Approved site" means a community provider of behavioral and
11 mental health services identified by the Higher Education Student
12 Assistance Authority, in consultation with the Department of
13 Health, for inclusion in the program. Approved sites may include,
14 but need not be limited to, providers operated by a nonprofit,
15 ¹institution of higher education,¹ school district, county, the
16 Department of Children and Families, the Department of Human
17 Services, and the Department of Health.

18 "Authority" means the Higher Education Student Assistance
19 Authority.

20 "Eligible behavioral healthcare providers" means psychiatrists,
21 psychologists, licensed clinical social workers, psychiatric nurse
22 mental health clinical specialists; board certified behavior analysts;
23 licensed clinical alcohol and drug counselors; and any other
24 professionals identified by the executive director of the authority
25 for inclusion in the program.

26 "Eligible qualifying loan expenses" means the cumulative
27 outstanding balance of student loans covering the cost of attendance
28 at an undergraduate or graduate institution of higher education at
29 the time an applicant is selected for the program. Interest paid or
30 due on qualifying loans that an applicant has taken out for use in
31 paying the costs of undergraduate or graduate education shall be
32 considered eligible for reimbursement under the program. The
33 authority may establish a limit on the total amount of qualifying
34 loans which may be redeemed for participants under the program,
35 provided that the total redemption of qualifying loans does not
36 exceed \$150,000, or the maximum amount authorized by the federal
37 government, whichever is greater, either in State funds or the sum
38 of federal, State, and other non-federal matching funds, pursuant to
39 section 338I of the Public Health Service Act (42 U.S.C. s.254q-1),
40 whichever is applicable.

41 "Executive director" means the executive director of the Higher
42 Education Student Assistance Authority.

43 "Program" means the Behavioral Healthcare Provider Loan
44 Redemption Program established pursuant to this act.

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 underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 27, 2022.

1 "Program participant" means a behavioral healthcare provider
2 who contracts with the authority to engage in the clinical practice of
3 mental or behavioral healthcare at an approved site in exchange for
4 the redemption of eligible qualifying loan expenses provided under
5 the program.

6 "Qualifying loan" means a government or commercial loan for
7 the actual costs paid for tuition and reasonable education and living
8 expenses relating to the obtaining of a degree for use in a mental or
9 behavioral healthcare profession.

10 "Total and permanent disability" means a physical or mental
11 disability that is expected to continue indefinitely or result in death
12 and renders a participant in the program unable to perform that
13 person's service obligation, as determined by the executive director
14 or his designee.

15

16 2. There is established a Behavioral Healthcare Provider Loan
17 Redemption Program within the Higher Education Student
18 Assistance Authority. The program shall provide for the
19 redemption of a portion of the eligible qualifying loan expenses of
20 program participants for each period of service at an approved site.

21

22 3. a. To be eligible to participate in the program, an applicant
23 shall:

24 (1) be a resident of the State;

25 (2) be employed, or plan to be employed, as an eligible
26 behavioral healthcare provider at an approved site; and

27 (3) submit an application in accordance with such procedures
28 and requirements as are established by the executive director.

29 b. The executive director, or the executive director's designee,
30 shall select the program participants from among those applicants
31 who meet the eligibility criteria, subject to available funds.

32 c. A program participant shall enter into a written contract with
33 the authority to participate in the program. The contract shall
34 specify the duration of the applicant's required service and the total
35 amount of eligible student loan expenses to be redeemed by the
36 State in return for service.

37 d. The redemption of loans under the program shall not exceed
38 \$50,000 of principal and interest of eligible student loan expenses
39 following the completion of two full years of service satisfactorily
40 completed by the program participant. A program participant who
41 completes four full years of service satisfactorily shall be eligible to
42 receive a second redemption amount of \$50,000 at the completion
43 of the fourth year. A program participant who completes six full
44 years of service satisfactorily shall be eligible to receive a third and
45 final redemption amount of \$50,000 at the completion of the sixth
46 year. The total loan redemption amount for a program participant,
47 for six years of service, shall not exceed \$150,000.

48 e. The period of service shall commence on or after the date of
49 enactment of this act.

1 4. a. A program participant who has entered into a redemption
2 contract with the authority may nullify that contract by submitting
3 written notification to the authority and assuming full responsibility
4 for repayment of the full amount of the participant's loan or that
5 portion of the loan that has not been redeemed by the State in return
6 for partial fulfillment of the contract.

7 b. In the case of a program participant's death or total or
8 permanent disability, the authority shall nullify the service
9 obligation of the participant, thereby terminating the participant's
10 service obligation; or where continued enforcement of the contract
11 may result in extreme hardship, the authority may nullify or
12 suspend the participant's service obligation.

13 c. In no event shall service at an approved site for less than the
14 full period of service pursuant to subsection d. of section 3 of this
15 act entitle the program participant to any benefits under the
16 program.

17

18 5. A student who is participating ¹in any other State tuition or
19 loan redemption program, or¹ in the federally administered National
20 Health Service Corps Loan Repayment Program, section 338B of
21 the Public Health Service Act (42 U.S.C. s.254 1-1), shall not be
22 eligible to participate simultaneously in the Behavioral Healthcare
23 Provider Loan Redemption Program.

24

25 6. The executive director of the authority shall annually award
26 incentive grants, within the limits of available State appropriations,
27 to program participants who work primarily with children and
28 adolescents. An incentive grant shall not exceed \$5,000. A
29 program participant may be eligible to receive multiple incentive
30 grants during their participation in the program.

31

32 7. The authority shall adopt rules and regulations pursuant to
33 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
34 1 et seq.) necessary to implement the provisions of this act.

35

36 8. There is appropriated from the General Fund to the Higher
37 Education Student Assistance Authority the sum of \$5,000,000 to
38 effectuate the provisions of this act ¹, of which sum no more than
39 eight percent may be dedicated to the administrative costs of the
40 program¹ .

41

42 9. This act shall take effect immediately.