

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4399**

**STATE OF NEW JERSEY**

DATED: JUNE 27, 2022

The Assembly Budget Committee reports favorably Assembly Bill No. 4399.

This bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the General Fund for the bill's purposes.

The program will provide for the redemption of a portion of the eligible qualifying loan expenses of program participants for each period of service at an approved site. Under the bill, approved sites include community providers of behavioral and mental health services identified by the Higher Education Student Assistance Authority, in consultation with the Department of Health, for inclusion in the program. Approved sites may include, but need not be limited to, providers operated by a nonprofit, institution of higher education, school district, county, the Department of Children and Families, the Department of Human Services, and the Department of Health. The bill will benefit "eligible behavioral healthcare providers," which include psychiatrists, psychologists, licensed clinical social workers, psychiatric nurse mental health clinical specialists, board certified behavior analysts; licensed clinical alcohol and drug counselors; and any other professionals identified by the executive director of the authority for inclusion in the program.

Under the bill, to be eligible to participate in the program, an applicant is required to:

- (1) be a resident of the State;
- (2) be employed, or plan to be employed, as an eligible behavioral healthcare provider at an approved site; and
- (3) submit an application in accordance with such procedures and requirements as are established by the executive director.

The bill directs the executive director or the director's designee to select the program participants from among those applicants who meet the eligibility criteria, subject to available funds. A program participant will be required to enter into a written contract with the authority to participate in the program. The contract will specify the duration of the applicant's required service and the total amount of eligible student loan expenses to be redeemed by the State in return for service.

The program will provide loan redemption of up to \$50,000 of principal and interest of eligible student loan expenses following the completion of two full years of service satisfactorily completed by the program participant. A program participant who completes four full years of service satisfactorily shall be eligible to receive a second redemption amount of \$50,000 at the completion of the fourth year. A program participant who completes six full years of service satisfactorily shall be eligible to receive a third and final redemption amount of \$50,000 at the completion of the sixth year. The total loan redemption amount for a program participant, for six years of service, shall not exceed \$150,000.

The bill provides for the nullification of the contract under certain circumstances. The bill prohibits a student who is participating in any other State tuition or loan redemption program or who is participating in the federally administered National Health Service Corps Loan Repayment Program from participating simultaneously in the Behavioral Healthcare Provider Loan Redemption Program.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant will be capped at \$5,000. A program participant may be eligible to receive multiple incentive grants during their participation in the program.

Finally, the bill provides that of the \$5 million appropriated for the bill's purposes, no more than eight percent may be dedicated to the administrative costs of the program.

**FISCAL IMPACT:**

Fiscal information for this bill is currently unavailable.