

SENATE HIGHER EDUCATION COMMITTEE

STATEMENT TO

SENATE, No. 3631

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 18, 2026

The Senate Higher Education Committee reports favorably and with committee amendments Senate Bill No. 3631.

As amended, this bill establishes the Allied Health Care Professional Loan Redemption Program. The program would provide for the redemption of a portion of the eligible qualifying loan expenses of program participants for each year of service as a program participant for up to four one-year periods.

To be eligible to participate in the program, an applicant is required to: (1) be a resident of the State; (2) have obtained a degree or credential in an allied health care professional field; and (3) agree to practice as an allied health care professional as a program participant.

A program participant is required to enter into a contract with the Higher Education Student Assistance Authority (HESAA) that: (1) includes the duration of the program participant's required service and total amount of qualifying student loan expenses to be redeemed by HESAA; (2) requires a program participant to serve for at least one year in a full-time position in the allied health care profession practice area for which the allied health care professional is licensed or certified prior to receipt of any loan redemption funds; and (3) stipulates that a program participant has knowledge of and agrees to serve a three-month probationary period upon the commencement of employment as a program participant.

Under the bill, a program participant is required to adhere to performance standards established by the executive director of HESAA. The bill directs the executive director to determine the amount of eligible principal and interest that is to be eligible for redemption per year and in total.

The bill directs the executive director to select program participants from among those applicants who meet the eligibility criteria established under the bill, subject to available funds, and establishes a priority ranking in the event there are insufficient funds to select all of the applicants who meet the eligibility criteria.

The bill permits a program participant to nullify a contract entered into under the provisions of the bill by submitting written notification to HESAA and assuming full responsibility for repayment of the full amount of the loan or the portion of the loan that has not yet been

redeemed by the State. A program participant that seeks to nullify the contract before completing a second full year of service is required to pay 50 percent of the redeemed portion of indebtedness in not more than one year following nullification of the agreement. The bill requires HESAA to nullify a program participant's service obligation in the case of the participant's death or total permanent disability and permits HESAA to nullify or suspend a participant's service obligation where continued enforcement of the contract may result in extreme hardship.

The bill stipulates that an allied health care professional who is participating in any other State tuition or loan redemption program or the National Health Service Corps Loan Repayment Program is not eligible to participate in the Allied Health Care Professional Loan Redemption Program. Under the bill, HESAA is required to submit a report on the program to the Governor and Legislature by August 1 of each year.

Finally, the bill annually appropriates from the General Fund to HESAA such sums as are necessary to effectuate the provisions of the bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to include athletic trainers in the definition of an "allied health care professional" eligible to participate in the loan redemption program.