



State of New Jersey

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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JON S. CORZINE
Governor

E. MICHAEL ANGULO
Executive Director

July 15, 2008

The Honorable Jon S. Corzine
Governor, State of New Jersey
125 West State Street
P.O. Box 001
Trenton, New Jersey 08625-0001

Re: Social Service Student Loan Redemption Program Annual Report

Dear Governor Corzine:

I am pleased to submit to you and the Legislature the Annual Report of the Social Service Student Loan Redemption Program, as required by the Program's enabling statute.

Pursuant to N.J.S.A. 18A: 71B-87 the Social Services Student Loan Redemption Program Act was enacted January 2006. The Social Service Student Loan Redemption Program (SSSLRP) provides loan redemption to college graduates who are hired as full-time direct care professionals at specific public or non-profit social service agencies. The program will redeem federal and state (NJCLASS) student loan amounts up to an amount of \$5,000 per year of the principal and interest of eligible Federal or State student loans in return for satisfactory completion of a full year of approved employment. Participants can receive up to four years of redemption for a maximum of \$20,000 in exchange for continued full-time qualifying service. Applicants must remain in good standing with their lenders during their participation.

To participate in the program, applicants must be a resident of the State of New Jersey, and must have been hired as a direct care professional within one year after completing a bachelor's degree program, or a graduate degree program leading to a master's degree in a human service discipline, such as social work, psychology or counseling, or a health related profession. Participants are required to enter into a written contract with the Higher Education Student Assistance Authority (HESAA) specifying the duration of required service and the total amount of loans to be redeemed in return for service. Eligible candidates must have been employed at the qualified facility on or after the date that the enabling legislation was enacted, July 14, 2005.

HESAA receives the applications, determines eligibility, issues service commitment agreements and then grants loan forgiveness awards subject to the availability of appropriated funds, which have totaled \$3.5 million in FY 2007, \$3.5 million in FY 2008 and \$3.5 million in FY 2009.

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Furthermore, N.J.S.A. 18A:71B-95 provides:

“The Authority to annually submit a report on the program to the Governor and chairmen of the Senate Budget and Appropriations, Assembly Appropriations, Senate Health, Human Services and Senior Citizens, and Assembly Health and Human Services committees, or their successor committees. The report shall be submitted no later than August 1 of each year and shall include, but not be limited to, the following information for the prior year fiscal year:

- a. the total number of participants receiving loan redemption under the program;
- b. the approved course of study of each of the participants; and
- c. the total number of participants who withdrew from the program and failed to complete the program’s employment requirement.”

In accordance with N.J.S.A.18A:71B-95, HESAA’s Annual Report on the Social Services Student Loan Redemption Program is as follows:

- a. As of July 31, 2008 the total number of new participants receiving loan redemption under the program is 183, for a total of 387 participants. There are an additional 64 eligible applicants currently being processed by our office for service commitments under the FY09 appropriation; 40 of which are graduate degree holders from the waitlist. One hundred twelve graduate degree holders will remain on the waitlist. HESAA expects to fully expend the current appropriation.
- b. The approved courses of study of the participants are:

Applied Clinical Psychology	Provisional Social Work
Art Therapy	Psychological Counseling
Behavioral Sciences	Psychology
Clinical/Counseling Psychology	Psychology/Psychiatric Rehabilitation
Counseling	Public Health
Counseling Psychology	Social and Behavioral Sciences/Social Work
Criminal Justice	Social Policy and Practice
Educational Psychology	Social Psychology
Environmental Policy & Psychology	Social Work
Family & Child Studies (Family Services)	Social Work/Clinical Social Work
Human Development	Sociology
Human Services	Sociology/Communications
Marital Family Therapy	Sociology/Criminal Justice
Marriage and Family Counseling	Special Education
Mental Health Counseling - Applied Psych	Speech Language and Hearing Science
Occupational Therapy	Speech Language Pathologist

- c. Forty-four participants have either withdrawn from the program or failed to complete the program’s employment requirement during FY08. Of these, 28

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participants performed at least one full year of service and received one loan redemption payment. The remaining 16 participants met the program criteria, were previously waitlisted, and then did not respond to the service commitment agreement once additional funding became available.

Based on the strong interest in the Social Services Student Loan Redemption Program, we anticipate the program funding as appropriated is necessary to meet the current needs. In accordance with the program statute, funding for graduate-degree holders is restricted to twenty percent of the appropriation. As a result, there continues to be an extensive waitlist of graduate-degree holding applicants. Future additional appropriations may be warranted, to fulfill the intent of the enabling legislation.

As set forth in above-referenced statute, I am hereby transmitting a copy of this Annual Report to the chairmen of the respective legislative committees. We hope this information is useful to you. The New Jersey Higher Education Student Assistance Authority is pleased to administer this important program on behalf of the citizens of New Jersey. Should you have any questions about the Social Services Student Loan Redemption Program, I can be reached directly at 609-588-7113.

Respectfully,



E. Michael Angulo
Executive Director

cc: The Honorable Barbara Buono
Chair, Senate Budget and Appropriations Committee

The Honorable Nellie Pou
Chair, Assembly Appropriations Committee

The Honorable Joseph Vitale
Chair, Senate Health, Human Services and Senior Citizens Committee

The Honorable Herb Conaway
Chair, Assembly Health and Senior Services Committee

The Honorable Sheila Oliver
Chair, Assembly Human Services Committee