

State of New Jersey

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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JON S. CORZINE
Governor

E. MICHAEL ANGULO
Executive Director

August 1, 2007

The Honorable Jon S. Corzine
Governor
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:

The New Jersey Higher Education Student Assistance Authority ("HESAA") proudly administers the State's grant, scholarship, loan and loan redemption programs, and college savings plan, and provides students and their families with comprehensive financial aid information. HESAA delivers approximately \$1.6 billion in aid annually to help New Jersey students pursue their dream of a higher education.

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

As background, the Social Services Student Loan Redemption Program Act was enacted in January 2006 pursuant to N.J.S.A. 18A: 71B-87. The Program provides loan redemption to recent college graduates who are hired as full-time direct care professionals at specific public or non-profit social service agencies. In exchange for full-time employment at a qualified facility, the program will redeem student loan amounts of up to \$20,000 to finance the undergraduate or graduate study of eligible program participants. This Program redeems loans 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. Applicants cannot be in default of any student loan.

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, such as occupational, physical or speech therapy. Participants will be 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 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. Eighty percent is allocated to provide loan redemption to finance the undergraduate study of program participants and twenty percent is allocated to finance the graduate study of program participants.

HESAA's reporting requirement is set forth in N.J.S.A. 18A:71B-95 which provides:

"The Authority shall 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 successors 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 response to the aforementioned requirements, HESAA's Annual Report on the Social Services Student Loan Redemption Program is as follows:

- a. As of July 31, 2007 the total number of participants receiving loan redemption under the program is 204 under the original FY07 appropriation. There are an additional 188 eligible applicants currently being processed by our office for service commitments under the FY08 appropriation. HESAA expects to fully expend the current appropriation.
- b. The approved courses of study of the participants are:

Applied Clinical Psychology
Art Therapy
Behavioral Sciences
Clinical/Counseling Psychology
Counseling
Counseling Psychology
Criminal Justice
Educational Psychology
Environmental Policy & Psychology
Family & Child Studies (Family Services)
Human Development
Human Services
Marital Family Therapy
Marriage and Family Counseling
Mental Health Counseling - Applied Psych
Occupational Therapy

Provisional Social Work
Psychological Counseling
Psychology
Psychology/Psychiatric Rehabilitation
Public Health
Social and Behavioral Sciences/Social Work
Social Policy and Practice
Social Psychology
Social Work
Social Work/Clinical Social Work
Sociology
Sociology/Communications
Sociology/Criminal Justice
Special Education
Speech Language and Hearing Science
Speech Language Pathologist

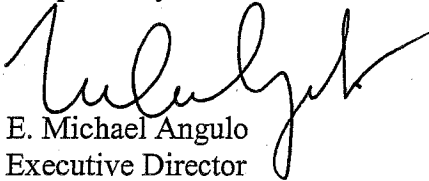
August 1, 2007

- c. Twenty-seven participants have either withdrawn from the program or failed to complete the program's employment requirement. Of these, nine participants performed at least one full year of service and received one loan redemption payment. The remaining 18 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. 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 chairs 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 Program, I can be reached directly at 609-588-7113.

Respectfully,



E. Michael Angulo
Executive Director

cc: The Honorable Bernard F. Kenny
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 Joseph Cryan
Chair, Assembly Human Services Committee