

CHAPTER 34

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

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.18A:71C-87 Definitions.

1. As used in this act:

"Approved site" means a community provider 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.

"Authority" means the Higher Education Student Assistance Authority.

"Eligible behavioral healthcare providers" means 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.

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

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

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

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

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

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

C.18A:71C-88 "Behavioral Healthcare Provider Loan Redemption Program" established.

2. There is established a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority. The program shall 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.

C.18A:71C-89 Program eligibility.

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

- (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.

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

c. A program participant shall enter into a written contract with the authority to participate in the program. The contract shall 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.

d. The redemption of loans under the program shall not exceed \$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.

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

C.18A:71C-90 Redemption contract, service obligation, nullification; circumstances, certain.

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

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

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

C.18A:71C-91 Simultaneous tuition, loan redemption participation, certain, prohibited.

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

C.18A:71C-92 Incentive grants.

6. The executive director of the authority shall annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with

children and adolescents. An incentive grant shall not exceed \$5,000. A program participant may be eligible to receive multiple incentive grants during their participation in the program.

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

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

9. This act shall take effect immediately.

Approved June 30, 2022.