

*State of New Jersey*

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

E. MICHAEL ANGULO  
Executive Director

July 15, 2010

The Honorable Chris Christie  
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 Christie:

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.

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 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.

Accordingly, please find the pertinent data below:

- a. As of June 30, 2010 the total number of new participants receiving loan redemption under the program is 202, for a cumulative total of 647 participants. An additional 187 participants successfully completed their service contract this year.

There are 271 graduate degree holders remaining on the waitlist. The extensive waitlist is due to statutory limitations in funding that can be made available to graduate degree holders. There are also 42 undergraduate degree holders on the waitlist. No new contracts will be offered in FY11.

- 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

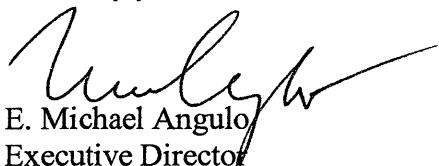
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- c. A total of 127 participants have either withdrawn from the program or failed to respond to the program's requirements during FY10. Of these, 90 participants performed at least one full year of service and received one loan redemption payment, meeting their obligation.

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. The current number of eligible participants on the waitlist is 271. Of these eligible participants 56 applied in 2007, 101 applied in 2008. Twenty percent allocation allows an average of 35 contracts to be offered to graduate degree waitlist participants each year. Historically, undergraduates have been immediately funded; however, graduate students spend over two years on the waitlist. A review of the participants' employment situations indicates that most graduate degree holders are employed in similar jobs as undergraduates, with similar pay scales, but with a larger student loan debt. 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 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 Social Services Student Loan Redemption Program, I can be reached directly at 609-588-7113.

Sincerely yours,



E. Michael Angulo  
Executive Director

cc: The Honorable Paul Sarlo  
Chair, Senate Budget and Appropriations Committee

The Honorable Nellie Pou  
Chair, Assembly Appropriations Committee

The Honorable Loretta Weinberg  
Chair, Senate Health, Human Services and Senior Citizens Committee

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

The Honorable Valerie Vainieri Huttie  
Chair, Assembly Human Services Committee