

**18A:71C-87 to 18A:71C-92; Sec.8 Appropriation**

**LEGISLATIVE HISTORY CHECKLIST**

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**LAWS OF:** 2022                    **CHAPTER:** 34

**NJSA:** 18A:71C-87 to 18A:71C-92; Sec.8 Appropriation  
(Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.)

**BILL NO:** S2872                    (Substituted for A4399)

**SPONSOR(S)** Nicholas P. Scutari and others

**DATE INTRODUCED:** 6/16/2022

**COMMITTEE:**                    **ASSEMBLY:** ---  
**SENATE:** Budget and Appropriations

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE: ASSEMBLY:** 6/29/2022

**SENATE:** 6/29/2022

**DATE OF APPROVAL:** 6/30/2022

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

**FINAL TEXT OF BILL** (First Reprint enacted)                    Yes

**S2872**

**INTRODUCED BILL:** (Includes sponsor(s) statement)                    Yes

**COMMITTEE STATEMENT: ASSEMBLY:** No

**SENATE:** Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes                    6/28/2022  
7/5/2022

**A4399**

**INTRODUCED BILL:** (Includes sponsor(s) statement)                    Yes

**COMMITTEE STATEMENT: ASSEMBLY:** Yes

**SENATE:** No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at [www.njleg.state.nj.us](http://www.njleg.state.nj.us))

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes                    6/29/2022

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** Yes

**FOLLOWING WERE PRINTED:**

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

end

Title 18A.  
Subtitle 12A.  
Part 3.  
Article 9. (New)  
Behavioral  
Healthcare  
Provider  
Redemption  
Program  
§§ 1-6  
C.18A:71C-87  
to 18A:71C-92  
§8  
Approp.

P.L. 2022, CHAPTER 34, *approved June 30, 2022*  
Senate, No. 2872 (*First Reprint*)

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

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. As used in this act:  
10 "Approved site" means a community provider of behavioral and  
11 mental health services identified by the Higher Education Student  
12 Assistance Authority, in consultation with the Department of  
13 Health, for inclusion in the program. Approved sites may include,  
14 but need not be limited to, providers operated by a nonprofit,  
15 <sup>1</sup>institution of higher education,<sup>1</sup> school district, county, the  
16 Department of Children and Families, the Department of Human  
17 Services, and the Department of Health.

18 "Authority" means the Higher Education Student Assistance  
19 Authority.

20 "Eligible behavioral healthcare providers" means psychiatrists,  
21 psychologists, licensed clinical social workers, psychiatric nurse  
22 mental health clinical specialists; board certified behavior analysts;  
23 licensed clinical alcohol and drug counselors; and any other  
24 professionals identified by the executive director of the authority  
25 for inclusion in the program.

26 "Eligible qualifying loan expenses" means the cumulative  
27 outstanding balance of student loans covering the cost of attendance

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted June 27, 2022.

1 at an undergraduate or graduate institution of higher education at  
2 the time an applicant is selected for the program. Interest paid or  
3 due on qualifying loans that an applicant has taken out for use in  
4 paying the costs of undergraduate or graduate education shall be  
5 considered eligible for reimbursement under the program. The  
6 authority may establish a limit on the total amount of qualifying  
7 loans which may be redeemed for participants under the program,  
8 provided that the total redemption of qualifying loans does not  
9 exceed \$150,000, or the maximum amount authorized by the federal  
10 government, whichever is greater, either in State funds or the sum  
11 of federal, State, and other non-federal matching funds, pursuant to  
12 section 338I of the Public Health Service Act (42 U.S.C. s.254q-1),  
13 whichever is applicable.

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

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

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

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

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

32

33 2. There is established a Behavioral Healthcare Provider Loan  
34 Redemption Program within the Higher Education Student  
35 Assistance Authority. The program shall provide for the  
36 redemption of a portion of the eligible qualifying loan expenses of  
37 program participants for each period of service at an approved site.

38

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

41 (1) be a resident of the State;

42 (2) be employed, or plan to be employed, as an eligible  
43 behavioral healthcare provider at an approved site; and

44 (3) submit an application in accordance with such procedures  
45 and requirements as are established by the executive director.

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

1 c. A program participant shall enter into a written contract with  
2 the authority to participate in the program. The contract shall  
3 specify the duration of the applicant's required service and the total  
4 amount of eligible student loan expenses to be redeemed by the  
5 State in return for service.

6 d. The redemption of loans under the program shall not exceed  
7 \$50,000 of principal and interest of eligible student loan expenses  
8 following the completion of two full years of service satisfactorily  
9 completed by the program participant. A program participant who  
10 completes four full years of service satisfactorily shall be eligible to  
11 receive a second redemption amount of \$50,000 at the completion  
12 of the fourth year. A program participant who completes six full  
13 years of service satisfactorily shall be eligible to receive a third and  
14 final redemption amount of \$50,000 at the completion of the sixth  
15 year. The total loan redemption amount for a program participant,  
16 for six years of service, shall not exceed \$150,000.

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

19  
20 4. a. A program participant who has entered into a redemption  
21 contract with the authority may nullify that contract by submitting  
22 written notification to the authority and assuming full responsibility  
23 for repayment of the full amount of the participant's loan or that  
24 portion of the loan that has not been redeemed by the State in return  
25 for partial fulfillment of the contract.

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

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

36  
37 5. A student who is participating <sup>1</sup>in any other State tuition or  
38 loan redemption program, or<sup>1</sup> in the federally administered National  
39 Health Service Corps Loan Repayment Program, section 338B of  
40 the Public Health Service Act (42 U.S.C. s.254 1-1), shall not be  
41 eligible to participate simultaneously in the Behavioral Healthcare  
42 Provider Loan Redemption Program.

43  
44 6. The executive director of the authority shall annually award  
45 incentive grants, within the limits of available State appropriations,  
46 to program participants who work primarily with children and  
47 adolescents. An incentive grant shall not exceed \$5,000. A  
48 program participant may be eligible to receive multiple incentive  
49 grants during their participation in the program.



**SENATE, No. 2872**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED JUNE 16, 2022

**Sponsored by:**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**Senator M. TERESA RUIZ**

**District 29 (Essex)**

**Co-Sponsored by:**

**Senator O'Scanlon**

**SYNOPSIS**

Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/27/2022)**

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

5  
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
7 *of New Jersey:*

8  
9 1. As used in this act:

10 "Approved site" means a community provider of behavioral and  
11 mental health services identified by the Higher Education Student  
12 Assistance Authority, in consultation with the Department of  
13 Health, for inclusion in the program. Approved sites may include,  
14 but need not be limited to, providers operated by a nonprofit, school  
15 district, county, the Department of Children and Families, the  
16 Department of Human Services, and the Department of Health.

17 "Authority" means the Higher Education Student Assistance  
18 Authority.

19 "Eligible behavioral healthcare providers" means psychiatrists,  
20 psychologists, licensed clinical social workers, psychiatric nurse  
21 mental health clinical specialists; board certified behavior analysts;  
22 licensed clinical alcohol and drug counselors; and any other  
23 professionals identified by the executive director of the authority  
24 for inclusion in the program.

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

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

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

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



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

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

10

11 2. There is established a Behavioral Healthcare Provider Loan  
12 Redemption Program within the Higher Education Student  
13 Assistance Authority. The program shall provide for the  
14 redemption of a portion of the eligible qualifying loan expenses of  
15 program participants for each period of service at an approved site.

16

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

19 (1) be a resident of the State;

20 (2) be employed, or plan to be employed, as an eligible  
21 behavioral healthcare provider at an approved site; and

22 (3) submit an application in accordance with such procedures  
23 and requirements as are established by the executive director.

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

27 c. A program participant shall enter into a written contract with  
28 the authority to participate in the program. The contract shall  
29 specify the duration of the applicant's required service and the total  
30 amount of eligible student loan expenses to be redeemed by the  
31 State in return for service.

32 d. The redemption of loans under the program shall not exceed  
33 \$50,000 of principal and interest of eligible student loan expenses  
34 following the completion of two full years of service satisfactorily  
35 completed by the program participant. A program participant who  
36 completes four full years of service satisfactorily shall be eligible to  
37 receive a second redemption amount of \$50,000 at the completion  
38 of the fourth year. A program participant who completes six full  
39 years of service satisfactorily shall be eligible to receive a third and  
40 final redemption amount of \$50,000 at the completion of the sixth  
41 year. The total loan redemption amount for a program participant,  
42 for six years of service, shall not exceed \$150,000.

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

45

46 4. a. A program participant who has entered into a redemption  
47 contract with the authority may nullify that contract by submitting  
48 written notification to the authority and assuming full responsibility  
49 for repayment of the full amount of the participant's loan or that

1 portion of the loan that has not been redeemed by the State in return  
2 for partial fulfillment of the contract.

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

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

13

14 5. A student who is participating in the federally administered  
15 National Health Service Corps Loan Repayment Program, section  
16 338B of the Public Health Service Act (42 U.S.C. s.254 1-1), shall  
17 not be eligible to participate simultaneously in the Behavioral  
18 Healthcare Provider Loan Redemption Program.

19

20 6. The executive director of the authority shall annually award  
21 incentive grants, within the limits of available State appropriations,  
22 to program participants who work primarily with children and  
23 adolescents. An incentive grant shall not exceed \$5,000. A  
24 program participant may be eligible to receive multiple incentive  
25 grants during their participation in the program.

26

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

30

31 8. There is appropriated from the General Fund to the Higher  
32 Education Student Assistance Authority the sum of \$5,000,000 to  
33 effectuate the provisions of this act.

34

35 9. This act shall take effect immediately.

36

37

38

#### STATEMENT

39

40 This bill establishes a Behavioral Healthcare Provider Loan  
41 Redemption Program within the Higher Education Student  
42 Assistance Authority and appropriates \$5 million from the General  
43 Fund for the bill's purposes.

44

45 The program will provide for the redemption of a portion of the  
46 eligible qualifying loan expenses of program participants for each  
47 period of service at an approved site. Under the bill, approved sites  
48 include community providers of behavioral and mental health  
49 services identified by the Higher Education Student Assistance  
Authority, in consultation with the Department of Health, for

1 inclusion in the program. Approved sites may include, but need not  
2 be limited to, providers operated by a nonprofit, school district,  
3 county, the Department of Children and Families, the Department  
4 of Human Services, and the Department of Health. The bill will  
5 benefit “eligible behavioral healthcare providers,” which include  
6 psychiatrists, psychologists, licensed clinical social workers,  
7 psychiatric nurse mental health clinical specialists, board certified  
8 behavior analysts; licensed clinical alcohol and drug counselors;  
9 and any other professionals identified by the executive director of  
10 the authority for inclusion in the program.

11 Under the bill, to be eligible to participate in the program, an  
12 applicant is required to:

- 13 (1) be a resident of the State;
- 14 (2) be employed, or plan to be employed, as an eligible  
15 behavioral healthcare provider at an approved site; and
- 16 (3) submit an application in accordance with such procedures  
17 and requirements as are established by the executive director.

18 The bill directs the executive director or the director’s designee  
19 to select the program participants from among those applicants who  
20 meet the eligibility criteria, subject to available funds. A program  
21 participant will be required to enter into a written contract with the  
22 authority to participate in the program. The contract will specify  
23 the duration of the applicant’s required service and the total amount  
24 of eligible student loan expenses to be redeemed by the State in  
25 return for service.

26 The program will provide loan redemption of up to \$50,000 of  
27 principal and interest of eligible student loan expenses following  
28 the completion of two full years of service satisfactorily completed  
29 by the program participant. A program participant who completes  
30 four full years of service satisfactorily shall be eligible to receive a  
31 second redemption amount of \$50,000 at the completion of the  
32 fourth year. A program participant who completes six full years of  
33 service satisfactorily shall be eligible to receive a third and final  
34 redemption amount of \$50,000 at the completion of the sixth year.  
35 The total loan redemption amount for a program participant, for six  
36 years of service, shall not exceed \$150,000.

37 The bill provides for the nullification of the contract under  
38 certain circumstances. The bill prohibits a student who is  
39 participating in the federally administered National Health Service  
40 Corps Loan Repayment Program from participating simultaneously  
41 in the Behavioral Healthcare Provider Loan Redemption Program.

42 Under the bill, the executive director of the authority is directed  
43 to annually award incentive grants, within the limits of available  
44 State appropriations, to program participants who work primarily  
45 with children and adolescents. An incentive grant will be capped at  
46 \$5,000. A program participant may be eligible to receive multiple  
47 incentive grants during their participation in the program.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **SENATE, No. 2872**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2872.

As amended by the committee, this bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the General Fund for the bill's purposes.

As amended, the program will 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. Under the bill, approved sites include community providers 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. The bill will benefit "eligible behavioral healthcare providers," which include 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.

Under the bill, to be eligible to participate in the program, an applicant is required to:

- (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.

The bill directs the executive director or the director's designee to select the program participants from among those applicants who meet the eligibility criteria, subject to available funds. A program participant will be required to enter into a written contract with the authority to participate in the program. The contract will 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.

The program will provide loan redemption of up to \$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.

The bill provides for the nullification of the contract under certain circumstances. The bill prohibits 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 from participating simultaneously in the Behavioral Healthcare Provider Loan Redemption Program.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant will be capped at \$5,000. A program participant may be eligible to receive multiple incentive grants during their participation in the program. As amended, the bill provides that no more than eight percent of the \$5 million appropriated to the authority for the purposes of implementing the grant program may be used for the administrative costs of the program.

#### COMMITTEE AMENDMENTS:

The committee amendments provide that an approved site may also include a community provider of behavioral and mental health services operated by an institution of higher education.

The committee amendments revise the provision of the bill providing that a student will be ineligible to participate in the program if the student is participating in the federally administered National Health Service Corps Loan Repayment Program, to extend the prohibition to any student who is participating in any other State tuition or loan redemption program as well.

The committee amendments provide that, of the \$5 million appropriated under the bill to implement the loan redemption program, no more than eight percent may be used for administrative costs.

#### FISCAL IMPACT:

The Office of Legislative Services finds that first year costs to the State for implementing the Behavioral Healthcare Provider Loan

Redemption Program will be \$5 million due to the bill's appropriation in that amount. The appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to a subset of program participants. However, the bill does not specify the amount of the appropriation that would go for each the loan redemption payments and the incentive grants.

The bill provides to a program participant the redemption of principal and interest for two-year periods of service, up to three such periods, for a maximum of \$150,000 in total loan redemption. The bill also requires the Executive Director of the Higher Education Student Assistance Authority to award incentive grants, not to exceed \$5,000 per grant, to eligible program participants who work primarily with children and adolescents.

Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants' eligible qualifying loan expense amounts and the number of program participants receiving incentive grants.

The State would also experience minor revenue increases to the extent that program participants nullify their contracts for the redemption of loans under the program and are required to repay the State for the full amount of the participant's loan or the portion of the loan that has not been redeemed by the State in return for partial fulfillment of a service contract.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 2872**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: JUNE 28, 2022

**SUMMARY**

- Synopsis:** Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.
- Type of Impact:** State expenditure increase. Minor State revenue increase.
- Agencies Affected:** Higher Education Student Assistance Authority.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost Increase</b>	\$5 million	Indeterminate	Indeterminate
<b>State Revenue Increase</b>	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) finds that first year costs to the State for implementing the Behavioral Healthcare Provider Loan Redemption Program will be \$5 million due to the bill’s appropriation in that amount. The appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to a subset of program participants. However, the bill does not specify the amount of the appropriation that would go for each the loan redemption payments and the incentive grants.
- The bill provides to a program participant the redemption of principal and interest for two-year periods of service, up to three such periods, for a maximum of \$150,000 in total loan redemption. The bill also requires the Executive Director of the Higher Education Student Assistance Authority to award incentive grants, not to exceed \$5,000 per grant, to eligible program participants who work primarily with children and adolescents.
- Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants’ eligible qualifying loan expense amounts and the number of program participants receiving incentive grants.



- The State would also experience minor revenue increases to the extent that program participants nullify their contracts for the redemption of loans under the program and are required to repay the State for the full amount of the participant's loan or the portion of the loan that has not been redeemed by the State in return for partial fulfillment of a service contract.

## **BILL DESCRIPTION**

This bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the State General Fund for the bill's purposes.

The program will 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 identified by the Higher Education Student Assistance Authority, in consultation with the Department of Health, for inclusion in the program. Program participants under the loan redemption program would include "eligible behavioral healthcare providers," namely 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.

The program will provide loan redemption of up to \$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 would 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 would 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, would not exceed \$150,000.

Under the bill, a program participant who has entered into a redemption contract with the authority may nullify the 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.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant would be capped at \$5,000.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that first year costs to the State for implementing this program will be \$5 million due to the bill's appropriation in that amount. The appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to eligible



program participants who work primarily with children and adolescents. However, the bill does not specify the amount of the appropriation that would go for each the loan redemption payments and the incentive grants.

Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants' eligible qualifying loan expense amounts and the number of program participants receiving incentive grants under the bill. In the event that appropriations in any fiscal year are not sufficient to provide full loan redemption payments for all eligible individuals applying for the program, it is possible that the Higher Education Student Assistance Authority would place certain individuals on a waiting list for inclusion in the program in a later fiscal year, although the bill does not explicitly authorize a waiting list or the prioritization of certain participants for selection.

The OLS does note, however, that current law establishes a fairly similar program known as the Primary Care Practitioner Loan Redemption Program, which may be useful for the purposes of comparison to the Behavioral Healthcare Provider Loan Redemption Program established under this bill. Under the Primary Care Practitioner Loan Redemption Program, a primary care provider working in a medically underserved community in the State may have up to \$120,000 in student loans repaid by the State. Eligible primary care providers under the program include State-licensed or certified health care professionals who have obtained a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession. The purpose of the program is to improve access to primary health care services for underserved populations by encouraging physicians, dentists, certified nurse midwives, certified nurse practitioners and physician assistants to practice in State designated underserved areas and Health Professional Shortage Areas. With certain exceptions, the State has historically expended \$1.1 million on the Primary Care Practitioner Loan Redemption Program. From FY 2010 to FY 2021, participation in the program has ranged between approximately 40 and 80 individuals.

#### Hypothetical Cost Estimate Model

Even though the OLS finds that costs following the first year of implementation would be indeterminate, the office employed broad participation assumptions to craft a hypothetical cost estimate. The OLS cautions that this estimate is crafted for the purposes of illustration and employs assumptions that will likely differ from actual participation or from actual appropriations made for the program.

Using the information currently available for the Primary Care Practitioner Loan Redemption Program, it may be reasonable to assume participation in the Behavioral Healthcare Provider Loan Redemption Program at 100 individuals. A higher participation level may be assumed since it appears as though the universe of eligible individuals under the bill would be broader than the universe of eligible individuals under the Primary Care Practitioner Loan Redemption Program. Assuming that each of the 100 individuals receives a maximum annual loan redemption amount of \$25,000, then appropriations for the loan redemption portion of the program may be \$2.5 million.

The OLS then used other sources of publicly available information to estimate a potential number of individuals who would receive incentive grants under the bill. Using data from the May 2021 State Occupational Employment and Wage Estimates for New Jersey, the OLS identified at least 24,510 individuals who are employed in eligible job titles identified by the bill. Analyzing this sample of eligible individuals, approximately 30 percent appear to be in job titles that work primarily with children and adolescents. Applying this 30 percent to the assumed participation number of 100 individuals and further assuming that the estimated number of individuals each receives the maximum \$5,000 incentive grant amount, then appropriations for the incentive grants may be \$150,000.

Under this hypothetical cost estimate, total State costs stemming from the program would be \$2.7 million.

*Section: Education*

*Analyst: Christopher Myles  
Senior Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 2872 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 5, 2022

### SUMMARY

- Synopsis:** Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.
- Type of Impact:** State expenditure increase. Minor State revenue increase.
- Agencies Affected:** Higher Education Student Assistance Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost Increase</b>	\$5 million	Indeterminate	Indeterminate
<b>State Revenue Increase</b>	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) finds that first year costs to the State for implementing the Behavioral Healthcare Provider Loan Redemption Program will be \$5 million due to the bill's appropriation in that amount. The appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to a subset of program participants. However, the bill does not specify the amount of the appropriation that would be designated for each the loan redemption payments and the incentive grants.
- The bill provides to each program participant the redemption of principal and interest on student loans for two-year periods of service, up to three such periods, for a maximum of \$150,000 in total loan redemption. The bill also requires the Executive Director of the Higher Education Student Assistance Authority to award incentive grants, not to exceed \$5,000 per grant, to eligible program participants who work primarily with children and adolescents.
- Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants' eligible qualifying loan expense amounts and the number of program participants receiving incentive grants.

- The State would also experience minor revenue increases to the extent that program participants nullify their contracts for the redemption of loans under the program and are required to repay the State for the full amount of the participant's loan or the portion of the loan that has not been redeemed by the State in return for partial fulfillment of a service contract.

## **BILL DESCRIPTION**

This bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the State General Fund for the bill's purposes.

The program will 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 identified by the Higher Education Student Assistance Authority, in consultation with the Department of Health, for inclusion in the program. Program participants under the loan redemption program would include "eligible behavioral healthcare providers," namely 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.

The program will provide loan redemption of up to \$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 would 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 would 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, would not exceed \$150,000.

Under the bill, a program participant who has entered into a redemption contract with the authority may nullify the 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.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant would be capped at \$5,000.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that first year costs to the State for implementing this program will be \$5 million due to the bill's appropriation in that amount. Outside of the maximum eight percent (\$400,000) that the bill specifies may be used for administrative expenses, the appropriation would provide

first year funding for loan redemption payments to eligible program participants and for incentive grants to eligible program participants who work primarily with children and adolescents. However, the bill does not specify the amount of the appropriation that would be designated for each the loan redemption payments and the incentive grants.

Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants' eligible qualifying loan expense amounts and the number of program participants receiving incentive grants under the bill. In the event that appropriations in any fiscal year are not sufficient to provide full loan redemption payments for all eligible individuals applying for the program, it is possible that the Higher Education Student Assistance Authority would place certain individuals on a waiting list for inclusion in the program in a later fiscal year, although the bill does not explicitly authorize a waiting list or the prioritization of certain participants for selection.

The OLS does note, however, that current law establishes a fairly similar program known as the Primary Care Practitioner Loan Redemption Program, which may be useful for the purposes of comparison to the Behavioral Healthcare Provider Loan Redemption Program established under this bill. Under the Primary Care Practitioner Loan Redemption Program, a primary care provider working in a medically underserved community in the State may have up to \$120,000 in student loans repaid by the State. Eligible primary care providers under the program include State-licensed or certified health care professionals who have obtained a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession. The purpose of the program is to improve access to primary health care services for underserved populations by encouraging physicians, dentists, certified nurse midwives, certified nurse practitioners and physician assistants to practice in State designated underserved areas and Health Professional Shortage Areas. With certain exceptions, the State has historically expended \$1.1 million annually on the Primary Care Practitioner Loan Redemption Program. From FY 2010 to FY 2021, participation in the program has ranged between approximately 40 and 80 individuals.

#### *Hypothetical Cost Estimate Model*

Even though the OLS finds that costs following the first year of implementation would be indeterminate, the office employed broad participation assumptions to craft a hypothetical cost estimate. The OLS cautions that this estimate is crafted for the purposes of illustration and employs assumptions that will likely differ from actual participation or from actual appropriations made for the program.

Using the information currently available for the Primary Care Practitioner Loan Redemption Program, it may be reasonable to assume participation in the Behavioral Healthcare Provider Loan Redemption Program at 100 individuals. A higher participation level may be assumed since it appears as though the universe of eligible individuals under the bill would be broader than the universe of eligible individuals under the Primary Care Practitioner Loan Redemption Program. Assuming that each of the 100 individuals receives a maximum annual loan redemption amount of \$25,000, then appropriations for the loan redemption portion of the program may be \$2.5 million.

The OLS then used other sources of publicly available information to estimate a potential number of individuals who would receive incentive grants under the bill. Using data from the May 2021 State Occupational Employment and Wage Estimates for New Jersey, the OLS identified at least 24,510 individuals who are employed in eligible job titles identified by the bill. Analyzing this sample of eligible individuals, approximately 30 percent appear to be in job titles that work primarily with children and adolescents. Applying this 30 percent to the assumed participation number of 100 individuals and further assuming that the estimated number of individuals each

receives the maximum \$5,000 incentive grant amount, then appropriations for the incentive grants may be \$150,000.

Under this hypothetical cost estimate, total State costs stemming from the program would be \$2.7 million.

*Section: Education*

*Analyst: Christopher Myles  
Senior Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 4399

## STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED JUNE 27, 2022

**Sponsored by:**

**Assemblywoman LINDA S. CARTER**

**District 22 (Middlesex, Somerset and Union)**

**Assemblywoman VERLINA REYNOLDS-JACKSON**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman CAROL A. MURPHY**

**District 7 (Burlington)**

**Assemblyman BENJIE E. WIMBERLY**

**District 35 (Bergen and Passaic)**

**Co-Sponsored by:**

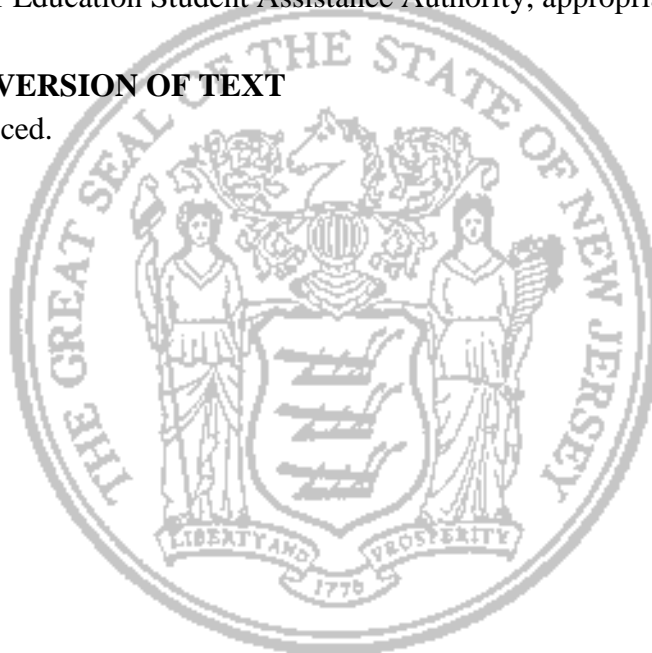
**Assemblyman Mukherji, Assemblywomen Jimenez, Lampitt and  
Assemblyman Conaway**

**SYNOPSIS**

Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 6/29/2022)

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

5  
6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:

8  
9 1. As used in this act:

10 "Approved site" means a community provider of behavioral and  
11 mental health services identified by the Higher Education Student  
12 Assistance Authority, in consultation with the Department of  
13 Health, for inclusion in the program. Approved sites may include,  
14 but need not be limited to, providers operated by a nonprofit,  
15 institution of higher education, school district, county, the  
16 Department of Children and Families, the Department of Human  
17 Services, and the Department of Health.

18 "Authority" means the Higher Education Student Assistance  
19 Authority.

20 "Eligible behavioral healthcare providers" means psychiatrists,  
21 psychologists, licensed clinical social workers, psychiatric nurse  
22 mental health clinical specialists; board certified behavior analysts;  
23 licensed clinical alcohol and drug counselors; and any other  
24 professionals identified by the executive director of the authority  
25 for inclusion in the program.

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

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

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

45 "Program participant" means a behavioral healthcare provider  
46 who contracts with the authority to engage in the clinical practice of  
47 mental or behavioral healthcare at an approved site in exchange for



1 the redemption of eligible qualifying loan expenses provided under  
2 the program.

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

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

12

13 2. There is established a Behavioral Healthcare Provider Loan  
14 Redemption Program within the Higher Education Student  
15 Assistance Authority. The program shall provide for the  
16 redemption of a portion of the eligible qualifying loan expenses of  
17 program participants for each period of service at an approved site.

18

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

21 (1) be a resident of the State;

22 (2) be employed, or plan to be employed, as an eligible  
23 behavioral healthcare provider at an approved site; and

24 (3) submit an application in accordance with such procedures  
25 and requirements as are established by the executive director.

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

29 c. A program participant shall enter into a written contract with  
30 the authority to participate in the program. The contract shall  
31 specify the duration of the applicant's required service and the total  
32 amount of eligible student loan expenses to be redeemed by the  
33 State in return for service.

34 d. The redemption of loans under the program shall not exceed  
35 \$50,000 of principal and interest of eligible student loan expenses  
36 following the completion of two full years of service satisfactorily  
37 completed by the program participant. A program participant who  
38 completes four full years of service satisfactorily shall be eligible to  
39 receive a second redemption amount of \$50,000 at the completion  
40 of the fourth year. A program participant who completes six full  
41 years of service satisfactorily shall be eligible to receive a third and  
42 final redemption amount of \$50,000 at the completion of the sixth  
43 year. The total loan redemption amount for a program participant,  
44 for six years of service, shall not exceed \$150,000.

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

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

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

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

17

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

24

25       6. The executive director of the authority shall annually award  
26 incentive grants, within the limits of available State appropriations,  
27 to program participants who work primarily with children and  
28 adolescents. An incentive grant shall not exceed \$5,000. A  
29 program participant may be eligible to receive multiple incentive  
30 grants during their participation in the program.

31

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

35

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

41

42       9. This act shall take effect immediately.

43

44

45

STATEMENT

46

47       This bill establishes a Behavioral Healthcare Provider Loan  
48 Redemption Program within the Higher Education Student

1 Assistance Authority and appropriates \$5 million from the General  
2 Fund for the bill's purposes.

3 The program will provide for the redemption of a portion of the  
4 eligible qualifying loan expenses of program participants for each  
5 period of service at an approved site. Under the bill, approved sites  
6 include community providers of behavioral and mental health  
7 services identified by the Higher Education Student Assistance  
8 Authority, in consultation with the Department of Health, for  
9 inclusion in the program. Approved sites may include, but need not  
10 be limited to, providers operated by a nonprofit, institution of  
11 higher education, school district, county, the Department of  
12 Children and Families, the Department of Human Services, and the  
13 Department of Health. The bill will benefit "eligible behavioral  
14 healthcare providers," which include psychiatrists, psychologists,  
15 licensed clinical social workers, psychiatric nurse mental health  
16 clinical specialists, board certified behavior analysts; licensed  
17 clinical alcohol and drug counselors; and any other professionals  
18 identified by the executive director of the authority for inclusion in  
19 the program.

20 Under the bill, to be eligible to participate in the program, an  
21 applicant is required to:

- 22 (1) be a resident of the State;
- 23 (2) be employed, or plan to be employed, as an eligible  
24 behavioral healthcare provider at an approved site; and
- 25 (3) submit an application in accordance with such procedures  
26 and requirements as are established by the executive director.

27 The bill directs the executive director or the director's designee  
28 to select the program participants from among those applicants who  
29 meet the eligibility criteria, subject to available funds. A program  
30 participant will be required to enter into a written contract with the  
31 authority to participate in the program. The contract will specify  
32 the duration of the applicant's required service and the total amount  
33 of eligible student loan expenses to be redeemed by the State in  
34 return for service.

35 The program will provide loan redemption of up to \$50,000 of  
36 principal and interest of eligible student loan expenses following  
37 the completion of two full years of service satisfactorily completed  
38 by the program participant. A program participant who completes  
39 four full years of service satisfactorily shall be eligible to receive a  
40 second redemption amount of \$50,000 at the completion of the  
41 fourth year. A program participant who completes six full years of  
42 service satisfactorily shall be eligible to receive a third and final  
43 redemption amount of \$50,000 at the completion of the sixth year.  
44 The total loan redemption amount for a program participant, for six  
45 years of service, shall not exceed \$150,000.

46 The bill provides for the nullification of the contract under  
47 certain circumstances. The bill prohibits a student who is  
48 participating in any other State tuition or loan redemption program

**A4399 CARTER, REYNOLDS-JACKSON**

6

1 or who is participating in the federally administered National  
2 Health Service Corps Loan Repayment Program from participating  
3 simultaneously in the Behavioral Healthcare Provider Loan  
4 Redemption Program.

5 Under the bill, the executive director of the authority is directed  
6 to annually award incentive grants, within the limits of available  
7 State appropriations, to program participants who work primarily  
8 with children and adolescents. An incentive grant will be capped at  
9 \$5,000. A program participant may be eligible to receive multiple  
10 incentive grants during their participation in the program.

11 Finally, the bill provides that of the \$5 million appropriated for  
12 the bill's purposes, no more than eight percent may be dedicated to  
13 the administrative costs of the program.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 4399

# STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Assembly Budget Committee reports favorably Assembly Bill No. 4399.

This bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the General Fund for the bill's purposes.

The program will 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. Under the bill, approved sites include community providers 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. The bill will benefit "eligible behavioral healthcare providers," which include 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.

Under the bill, to be eligible to participate in the program, an applicant is required to:

- (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.

The bill directs the executive director or the director's designee to select the program participants from among those applicants who meet the eligibility criteria, subject to available funds. A program participant will be required to enter into a written contract with the authority to participate in the program. The contract will 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.

The program will provide loan redemption of up to \$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.

The bill provides for the nullification of the contract under certain circumstances. The bill prohibits a student who is participating in any other State tuition or loan redemption program or who is participating in the federally administered National Health Service Corps Loan Repayment Program from participating simultaneously in the Behavioral Healthcare Provider Loan Redemption Program.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant will be capped at \$5,000. A program participant may be eligible to receive multiple incentive grants during their participation in the program.

Finally, the bill provides that of the \$5 million appropriated for the bill's purposes, no more than eight percent may be dedicated to the administrative costs of the program.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 4399**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: JUNE 29, 2022

**SUMMARY**

- Synopsis:** Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million.
- Type of Impact:** State expenditure increase. Minor State revenue increase.
- Agencies Affected:** Higher Education Student Assistance Authority.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost Increase</b>	\$5 million	Indeterminate	Indeterminate
<b>State Revenue Increase</b>	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) finds that first year costs to the State for implementing the Behavioral Healthcare Provider Loan Redemption Program will be \$5 million due to the bill’s appropriation in that amount. The appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to a subset of program participants. However, the bill does not specify the amount of the appropriation that would be designated for each the loan redemption payments and the incentive grants.
- The bill provides to each program participant the redemption of principal and interest on student loans for two-year periods of service, up to three such periods, for a maximum of \$150,000 in total loan redemption. The bill also requires the Executive Director of the Higher Education Student Assistance Authority to award incentive grants, not to exceed \$5,000 per grant, to eligible program participants who work primarily with children and adolescents.
- Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants’ eligible qualifying loan expense amounts and the number of program participants receiving incentive grants.
- The State would also experience minor revenue increases to the extent that program participants nullify their contracts for the redemption of loans under the program and are



required to repay the State for the full amount of the participant's loan or the portion of the loan that has not been redeemed by the State in return for partial fulfillment of a service contract.

## **BILL DESCRIPTION**

This bill establishes a Behavioral Healthcare Provider Loan Redemption Program within the Higher Education Student Assistance Authority and appropriates \$5 million from the State General Fund for the bill's purposes.

The program will 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 identified by the Higher Education Student Assistance Authority, in consultation with the Department of Health, for inclusion in the program. Program participants under the loan redemption program would include "eligible behavioral healthcare providers," namely 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.

The program will provide loan redemption of up to \$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 would 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 would 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, would not exceed \$150,000.

Under the bill, a program participant who has entered into a redemption contract with the authority may nullify the 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.

Under the bill, the executive director of the authority is directed to annually award incentive grants, within the limits of available State appropriations, to program participants who work primarily with children and adolescents. An incentive grant would be capped at \$5,000.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS finds that first year costs to the State for implementing this program will be \$5 million due to the bill's appropriation in that amount. Outside of the maximum eight percent (\$400,000) that the bill specifies may be used for administrative expenses, the appropriation would provide first year funding for loan redemption payments to eligible program participants and for incentive grants to eligible program participants who work primarily with children and adolescents.



However, the bill does not specify the amount of the appropriation that would be designated for each the loan redemption payments and the incentive grants.

Costs following the first year of enactment are indeterminate and would be dependent on the number of program participants in each year as well as the participants' eligible qualifying loan expense amounts and the number of program participants receiving incentive grants under the bill. In the event that appropriations in any fiscal year are not sufficient to provide full loan redemption payments for all eligible individuals applying for the program, it is possible that the Higher Education Student Assistance Authority would place certain individuals on a waiting list for inclusion in the program in a later fiscal year, although the bill does not explicitly authorize a waiting list or the prioritization of certain participants for selection.

The OLS does note, however, that current law establishes a fairly similar program known as the Primary Care Practitioner Loan Redemption Program, which may be useful for the purposes of comparison to the Behavioral Healthcare Provider Loan Redemption Program established under this bill. Under the Primary Care Practitioner Loan Redemption Program, a primary care provider working in a medically underserved community in the State may have up to \$120,000 in student loans repaid by the State. Eligible primary care providers under the program include State-licensed or certified health care professionals who have obtained a degree in allopathic or osteopathic medicine, dentistry, or another primary care profession. The purpose of the program is to improve access to primary health care services for underserved populations by encouraging physicians, dentists, certified nurse midwives, certified nurse practitioners and physician assistants to practice in State designated underserved areas and Health Professional Shortage Areas. With certain exceptions, the State has historically expended \$1.1 million annually on the Primary Care Practitioner Loan Redemption Program. From FY 2010 to FY 2021, participation in the program has ranged between approximately 40 and 80 individuals.

#### Hypothetical Cost Estimate Model

Even though the OLS finds that costs following the first year of implementation would be indeterminate, the office employed broad participation assumptions to craft a hypothetical cost estimate. The OLS cautions that this estimate is crafted for the purposes of illustration and employs assumptions that will likely differ from actual participation or from actual appropriations made for the program.

Using the information currently available for the Primary Care Practitioner Loan Redemption Program, it may be reasonable to assume participation in the Behavioral Healthcare Provider Loan Redemption Program at 100 individuals. A higher participation level may be assumed since it appears as though the universe of eligible individuals under the bill would be broader than the universe of eligible individuals under the Primary Care Practitioner Loan Redemption Program. Assuming that each of the 100 individuals receives a maximum annual loan redemption amount of \$25,000, then appropriations for the loan redemption portion of the program may be \$2.5 million.

The OLS then used other sources of publicly available information to estimate a potential number of individuals who would receive incentive grants under the bill. Using data from the May 2021 State Occupational Employment and Wage Estimates for New Jersey, the OLS identified at least 24,510 individuals who are employed in eligible job titles identified by the bill. Analyzing this sample of eligible individuals, approximately 30 percent appear to be in job titles that work primarily with children and adolescents. Applying this 30 percent to the assumed participation number of 100 individuals and further assuming that the estimated number of individuals each receives the maximum \$5,000 incentive grant amount, then appropriations for the incentive grants may be \$150,000.

Under this hypothetical cost estimate, total State costs stemming from the program would be \$2.7 million.

*Section: Education*

*Analyst: Christopher Myles  
Senior Fiscal Analyst*

*Approved: Thomas Koenig  
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# Governor Murphy Takes Action on Legislation

06/30/2022

**TRENTON** – Today, Governor Phil Murphy signed the following bills into law:

**2944/A-4162 (Sarlo, Ruiz/Freiman, Mosquera, Jaffer, Moriarty, Tully, Swain)** - Credits \$5.2 billion to “New Jersey Debt Defeasance and Prevention Fund”; appropriates \$2.9 billion to NJ Schools Development Authority, NJ DOT, and NJT; and establishes process for authorizing future appropriations for debt defeasance and capital projects

**S-1929/A-3668 (Gopal, Pennacchio/McKeon, Tully, Conaway)** - Makes FY 2022 supplemental appropriation to provide State military impact aid to certain school districts

**A-4403/S-2915 (Pintor Marin, Wimberly/Sarlo, Cunningham)** - Makes FY 2022 supplemental appropriations of \$71,786,000

**ACS for A-1522/S-2914 (Moriarty, Mosquera, Jaffer, Freiman, Lampitt, Greenwald/Madden, Gopal)** - Establishes annual sales tax holiday for certain retail sales of computers, school computer supplies, school supplies, school art supplies, school instructional materials and sport or recreational equipment.

**A-4401/S-2860 (Jaffer, Moriarty, Tully/Gopal, Pou)** - Provides one-year waiver of certain MVC fees imposed for driver’s licenses and non-driver identification cards.

**S-2861/A-4400 (Madden, Pou/Mosquera, Swain, Wimberly)** - Waives fees for marriage and civil union licenses in Fiscal Year 2023; appropriates \$2 million

**S-2523/ACS for A-3852 (Ruiz, Cunningham/Reynolds-Jackson, Freiman, Jaffer, Moriarty, Mosquera, Wimberly)** - Provides child tax credit under gross income tax

**S-2476wGR/A-4179 (Ruiz, Vitale/Coughlin, Jasey, Sumter, Quijano)** - Establishes Thriving By Three Act to award competitive grants for infant and toddler child care programs; appropriates \$28 million

**A-2359/S-2034 (Tucker, Moen, Haider/Cruz-Perez, Pou)** - Provides for streamlining of SNAP application process and establishes SNAP application call center; appropriates \$750,000

**A-2360/S-2035 (Reynolds-Jackson, Mukherji, Speight/Cunningham, Ruiz)** - Eliminates requirement that participation in NJ SNAP Employment and Training Program is mandatory for certain recipients

**A-2361/S-2016 (Jimenez, Sumter, Timberlake/Zwicker, Ruiz)** - Requires DHS to maintain SNAP outreach plan and to conduct additional outreach programs

**A-2362/S-2036 (Freiman, Mosquera, Quijano/Johnson, Ruiz)** - Requires DHS to submit federal waiver request regarding time limits for certain SNAP recipients under certain circumstances

**A-2363/S-2033 (Stanley, Mejia, Lopez/Pou, Ruiz)** - Concerns SNAP services provided at county boards of social services and county welfare agencies; appropriates \$250,000

**A-2364/S-2017 (Spearman, Pintor Marin, Atkins/Greenstein, Ruiz)** - Appropriates \$813,000 to DHS to implement use of electronic benefit transfer cards in Senior Farmers’ Market Nutrition Program

**A-2366/SCS for S-2156 (McKnight, Carter, Verrelli/Lagana, Pou)** - Establishes State SNAP Minimum Benefit Program; appropriates \$18 million to DHS

**A-2008/S-352 (Conaway, Verrelli, Benson/Gopal, Madden)** - Requires health insurance carriers to provide coverage for treatment of mental health conditions and substance use disorders through collaborative care

**S-2872/A-4399 (Scutari, Ruiz/Carter, Reynolds-Jackson, Murphy, Wimberly)** - Establishes Behavioral Healthcare Provider Loan Redemption Program within Higher Education Student Assistance Authority; appropriates \$5 million

**SCS for S-311/ACS for A-2036 (Vitale, Gopal/Benson, Verrelli, Conaway)** - Establishes Statewide behavioral health crisis system of care

**SCS for S-722 and 785/ACS for A-998 (Codey, Singleton/Reynolds-Jackson, Stanley, Jaffer)** - Codifies and expands ARRIVE Together Pilot Program to make certain mental health services available to police responding to certain emergencies; appropriates \$2 million

**S-2909/ACS for A-4374 (Diegnan/Benson, Pintor Marin, McKnight)** - Authorizes DOT to compensate contractors and subcontractors affected by supply chain shortages; appropriates \$10 million

**A-4405/S-2943 (Benson, Wimberly, Moen/Diegnan)** - Concerns New Jersey Transportation Trust Fund Authority; increases Transportation Trust Fund spending limit by \$600 million

**A-674/S-1646 (Verrelli, McKnight, McKeon/Ruiz, Pou)** - Establishes New Jersey Easy Enrollment Health Insurance Program

**A-3733/S-488 (Haider, Stanley, Benson/Scutari, Beach)** - Authorizes student attending institution of higher education to earn credit towards graduation for serving as poll worker

**ACS for A-3990/SCS for S-2593 (Stanley, Tully, Karabinchak/Diegnan, Corrado)** - Provides temporary one-year extension of service life of school buses for 2022-2023 school year; authorizes chief administrator to allow one-year extension in subsequent two school years

**A-4208/S-2791 (Pintor Marin, Quijano, Speight/Ruiz, Cruz-Perez)** - Provides sales and use tax exemption for certain purchases made by all supermarkets and grocery stores located within urban enterprise zones

**A2426/S513 (Wimberly, Reynolds-Jackson, Schaer/Cryan, Turner)** - Establishes rebuttable presumption of pretrial detention for defendants who commit certain firearm offenses under Graves Act

**A-4385/S-2933 (Conaway/Cryan)** - Makes various revisions to law pertaining to electronic medical records and recording patients' demographic information

**S-2807/A-246 (Stack, Sacco, Cunningham/McKnight, Sampson, Chaparro)** - Establishes Liberty State Park Design Task Force

**S-2917/A-4395 (Cruz-Perez, Stack/Pintor Marin, Freiman, Reynolds-Jackson)** - Expands allowance for developers to carry forward unused tax credits under New Jersey Aspire Program

**S-2921/A-4365 (Zwicker, Pou/Coughlin, Verrelli, Spearman)** - Revises various provisions of Food Desert Relief Program

**S-2945/ACS for A-4392 (Scutari/Pintor Marin, Sumter, Quijano, McKnight)** - Concerns economic incentives for certain cannabis businesses

**S-2023/A-4402 (Sarlo, Cunningham/Pintor Marin, Wimberly) - LINE ITEM** - Appropriates \$50,638,729,000 in State funds and \$24,082,639,850 in federal funds for the State budget for fiscal year 2022-2023

#### [Copy of Statement](#)

Governor Murphy signed the following bills today, which were sent to his desk yesterday, conditionally vetoed, and then passed in concurrence with the Governor's recommendations:

**S-2476/A-4179 (Ruiz, Vitale/Coughlin, Jasey, Sumter, Quijano) – CONDITIONAL** - Establishes Thriving By Three Act to award competitive grants for infant and toddler child care programs; appropriates \$28 million

#### [Copy of Statement](#)

**A-4403/S-2915 (Pintor Marin, Wimberly/Sarlo, Cunningham) – CONDITIONAL** - Makes FY 2022 supplemental appropriations of \$71,786,000

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