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Codey Signs Bill Establishing Student Loan Forgiveness Plan for Mental Health and Social Service Workers

Initiative Will Help Ease Personnel Crisis in State's Mental Health Centers

(EAST ORANGE) –Acting Governor Richard J. Codey today signed into law S2334 / A3756, legislation that establishes a plan to forgive up to \$20,000 in student loans for new qualified college graduates who enter the social services industry.

“Today we fulfill another goal I set in the State of the State address, by taking action to ease the growing personnel crisis in New Jersey’s community-based provider agencies, and further New Jersey’s commitment to help the mentally ill receive the care they need,” Codey said.

“These are difficult jobs with low salaries. You can’t blame these intelligent, qualified people for taking their careers elsewhere – especially when their biggest expense is a college loan,” Codey said. “By forgiving their loans we will make sure the best and brightest provide the best possible care for our most vulnerable residents.”

Codey signed the bill during a public ceremony at Prospect House in East Orange, where he was joined by Robert N. Davidson, Chairman of the Governor’s Task Force on Mental Health; Thomas Baffuto, Executive Director of The Arc of New Jersey; Sharif Reddick, of Newark, a youth advocate for those who receive help from social workers; and legislators including Senator Fred H. Madden (D-Camden, Gloucester) and Assemblyman Neil M. Cohen (D-Union).

The bill’s sponsors include Madden, Cohen, Senator Diane B. Allen (R-Burlington, Camden), Assemblyman John F. McKeon (D-Essex), Assemblyman Joseph J. Roberts (D-Camden, Gloucester), and Assemblywoman Bonnie Watson Coleman (D-Mercer).

In January, when the student loan forgiveness plan takes effect, recent undergraduate and graduate program students will be able to sign a contract with the state. The state will forgive up to \$5,000 in student loans each year for up to four years of service at a state, county or state-contracted nonprofit mental health or developmental disability facility in New Jersey.

The New Jersey Higher Education Student Assistance Authority will administer the program. Individuals who wish to sign up, or to learn more, can call 1-800-792-8670.

Madden said, “The signing of the ‘Student Loan Redemption Act’ marks the beginning of a new era for the state’s social services programs. By covering student loan costs for new social workers, the state is working to level the playing field between the private and public sectors. We must be able to attract and retain highly qualified social workers to help protect the people of New Jersey.”

Allen said, “I am pleased this legislation is becoming law today. It’s important that we address the current and projected critical shortage of direct care professionals in the state. College debt should not dissuade someone from this important career choice.”

Cohen said, “Social workers provide a vital service to the community. But sadly, the number of social workers in New Jersey is dropping rapidly. This innovative financial assistance program will go a long way toward attracting young, energetic, talented students to the profession.”

McKeon said, “This legislation will help lower the stress index for disadvantaged families.”

Roberts said, “The Social Work Student Incentive Loan Redemption Program is a great investment for New Jersey. This legislation will encourage more young people to take up careers in social work. Meanwhile, New Jersey residents will benefit from an increase in the ranks of social workers serving our communities.”

Watson Coleman said, “This is a grand accomplishment for those who want to help others. It is a shame that people who want to make helping people their lifework were discouraged because of financial limitations. This program is just the incentive that students need.”