

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 33

52nd Legislature, 1st Session, 2015

Tracking Number: .197494.1

Short Title: Social Worker Loan for Service Act

Sponsor(s): Senator Michael Padilla

Analyst: Travis Dulany

Date: January 30, 2015

Bill Summary:

SB 33 creates the Social Worker Loan for Service Act to address the shortage of degreed social workers in the Children, Youth and Families Department (CYFD) and makes an appropriation.

Among its provisions, SB 33:

- allows the Higher Education Department (HED) to grant loans to full-time, resident students who are enrolled in:
 - the last two years of a bachelor's degree program in social work; or
 - the last year of a master's degree program in social work;
- prescribes duties for HED and CYFD as they relate to the loan-for-service program;
- prescribes terms for the loans, including:
 - interest rates and the conditions in which a loan begins to accrue interest;
 - forgiveness of a portion of a loan for each period of time that the social worker is employed by CYFD, up to 100 percent;
 - repayment of a loan if a recipient fails to:
 - complete the social work degree program; or
 - meet the qualifications for licensure; and
 - repayment of a loan and a penalty of up to three times the principal due on the loan plus 18 percent interest if a loan recipient completes the social work degree program and is not employed by CYFD for a funded or open social worker position;
- allows HED to "cancel a contract between it and a loan recipient for any reasonable cause deemed sufficient by the department";
- creates the Social Worker Loan for Service Fund; and
- requires annual reports from HED, with the assistance of CYFD, to the Governor and the Legislature.

Fiscal Impact:

\$2.0 million is appropriated from the General Fund to the Social Worker Loan for Service Fund for expenditure in FY 16 and subsequent fiscal years. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the General Fund.

Fiscal Issues:

According to HED:

- social workers are eligible to apply for an existing loan-for-service program under the *Allied Health Student Loan for Service Act*;
- in FY 15:
 - HED budgeted \$104,800 for the Allied Health Student Loan for Service program; and
 - the department received 31 applications for loans through this program, of which nine awards were made based on available funds; and
- the increase contained in SB 33 will target gains in the supply of social workers and aid in establishing much-needed qualified professionals in designated shortage areas of New Mexico.

As defined in the *Allied Health Student Loan for Service Act*, the following professions qualify under the definition of “allied health profession”:

- physical therapy;
- occupational therapy;
- speech-language pathology;
- audiology;
- pharmacy;
- nutrition;
- respiratory care;
- laboratory technology;
- radiologic technology;
- dental hygiene;
- mental health services;
- emergency medical service; and
- a licensed or certified health profession as defined by HED.

Substantive Issues:

According to CYFD, the department continues to have high vacancy and turnover rates in its Protective Services Division (PSD). The department reports that it currently has contracts with four universities – Eastern New Mexico University, New Mexico Highlands University, New Mexico State University, and Western New Mexico University – to provide stipends to candidates for bachelor’s or master’s degrees in social work who are willing to work for PSD.

CYFD notes that these stipends range from \$8,000 to \$10,000 per year for the bachelor’s degree program and \$10,000 to \$11,000 for the master’s degree program. The stipends are available for

up to two years at both the bachelor's degree and master's degree levels in exchange for two years of service to PSD. Students are eligible for up to three years of stipends, according to CYFD.

Committee Referrals:

SEC/SJC/SFC

Related Bills:

- SB 37 Social Workers in Certain Schools*
- SB 256 Social Work Practice Act Changes*
- SB 318 Sunset Dates for Certain Agencies*
- HB 69 WNMU PTSD Treatment Pilot Project*
- HB 134 Social Work Practice Act Changes*
- HB 169 Social Work Practice Act Changes*