

SUMMARY

Synopsis of Bill

Generally, Senate Bill 33 establishes the Social Worker Loan for Service Act, a bill creating a student financial aid program for social work undergraduate and graduate students who are required to provide years of service to CYFD upon program completion.

More specifically, the bill

- Describes the purpose for the Act, to increase the number of social workers at CYFD
- Defines important terms, including social worker and student
- Describes the roles and responsibilities of each agency in administering the program:
 - CYFD: determines eligible students to receive loan for service grants, pursuant to HED's rules and conditions for eligibility; determines qualifications of individuals who can serve CYFD.
 - HED: promulgates rules for student eligibility – that students must be enrolled full-time, enrolled in last years of a bachelor's program and final year of a master's program, and who declares to practice social work at CYFD upon New Mexico licensure.
- Defines loan for service contract terms, including the interest rate, terms for loan forgiveness, and instances to terminate or cancel the contract for service or repayment.
- Identifies the Attorney General and HED as entities that can seek to enforce contract terms.
- Establishes the “Social Worker Loan for Service Fund (Fund),” a nonreverting fund in the State Treasury to be administered by HED. The fund can accept appropriations, gifts, loan repayments, and other income.
- Institutes an annual reporting requirement to the Executive and Legislature regarding individual details on borrowers, academic programs being attended, and CYFD employees who have benefited or continue to benefit from the program.
- Includes a \$2 million general fund appropriation to the Fund, which can be expended in FY16 and beyond.

FISCAL IMPLICATIONS

The \$2 million appropriated in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY16 shall not revert to the general fund.

This bill creates a new fund – the social worker loan for service fund -- and provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in the statutory provisions for newly created funds, as earmarking reduces the ability of the legislature to establish spending priorities.

Both HED and CYFD provide loan for service programs serving social workers. In FY15, HED's allied health loan for service program received \$105 thousand in general fund support, of which 9 students received awards. Social worker students are eligible for this program. The LFC recommended a \$500 thousand general fund appropriation for this program in FY16, an increase of nearly \$400 thousand; the Executive recommended FY15 levels.

For FY15, CYFD budgeted nearly \$850 thousand to provide undergraduate and graduate students attending New Mexico State University, New Mexico Highlands, Eastern New Mexico University and Western New Mexico University who commit to work at the agency. Stipends vary in amount, based on level of program, and duration. Nineteen undergraduates and 34 graduate students received stipends in FY14. The Executive and LFC recommended flat support for this program in FY16.

In addition, for FY16, the Executive recommended a \$1 million general fund appropriation to HED for a new social work loan repayment program. The program does not exist in statute, and legislation would need to be enacted this session to implement such a program.

Should SB 33 and the LFC recommendation be adopted for FY16, there would be three state-supported programs that support social work students for a total of \$3.3 million.

SIGNIFICANT ISSUES

CYFD noted its regularly high vacancy and turn-over rates of social workers, particularly those serving in the Protective Services Division. As reported in the LFC's Policy and Performance Analysis (Volume I, 2015), the average caseload for CYFD child protection services investigator is 89 children per year, while the national average is 69 children per year. Some of this high caseload can be attributed to inadequate agency staffing levels. Further, the average monthly caseload for CYFD's permanency planners and investigators is 21.8 per month and 24.5 per month, respectively; the recommended levels are 12 to 15 cases per permanency planner per month and 10 investigations per investigator per month. (See LFC Volume II, p. 287.)

The LFC's 2013 report on the adequacy of New Mexico's healthcare systems workforce noted that social workers are most likely professional to address behavioral health issues. The report highlighted the need for more advanced practioners, including licensed social workers, and a broader distribution of such health care practioners throughout the state.

PERFORMANCE IMPLICATIONS

For any of the existing programs, HED and CYFD could more clearly report the number of awards made annually, the total number of individual beneficiaries or borrowers, the total amount distributed, and the number of individuals not served – whether due to lack of funds or other reasons.

ADMINISTRATIVE IMPLICATIONS

HED stated that it will incur additional work associated with the program, such as verifying student eligibility upon each application submitted, initiating loans to the higher education institution, and tracking the individual recipient's service and/or repayment under terms of the contract.

Further, the department stated HB 33 requires CYFD to deem beneficiaries eligible, though this may be more streamlined if HED performed this function with CYFD acting in an advisory capacity.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Though the individual student borrower requirements vary slightly, HB 33 is similar to the existing loan for service programs at CYFD and HED.

TECHNICAL ISSUES

Lastly, LFC's 2010 evaluation of state-funded financial aid programs concluded that loan repayment programs – providing grants to licensed practitioners to pay off education debt – were easier to administer and resulted in greater participation than loan for service programs. While not targeted at the allied health loan for service program, HED's regular annual financial audits continue to include findings related to uncollectable loan amounts by borrowers who failed to complete required service.

OTHER POSSIBLE QUESTIONS

- Could existing loan for service programs at either CYFD or HED be expanded or amended to address the needs raised in HB 33? Are amendments to current statutes required for such a change?
- Has HED revised its operations to administer another loan for service program?
- Could a loan repayment program meet the same need identified in HB 33?

TH/aml