

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 215

**51ST LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2014**

INTRODUCED BY

Michael Padilla

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE SOCIAL WORKER LOAN FOR SERVICE ACT; PROVIDING POWERS AND DUTIES; AUTHORIZING LOANS TO CERTAIN STUDENTS MAJORING IN SOCIAL WORK IN RETURN FOR A SERVICE OBLIGATION TO THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT; PROVIDING REPAYMENT PENALTIES IF SERVICE IS NOT COMPLETED; REQUIRING THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT TO INTERVIEW AND SELECT CANDIDATES FOR THE PROGRAM; PROVIDING FOR PROGRAM ADMINISTRATION BY THE HIGHER EDUCATION DEPARTMENT; PROVIDING CERTAIN CONTRACT REQUIREMENTS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be cited as the "Social Worker Loan for Service Act".

SECTION 2. [NEW MATERIAL] PURPOSE.--The purpose of the .195805.2

underscoring material = new  
~~[bracketed material] = delete~~

underscored material = new  
[bracketed material] = delete

1 Social Worker Loan for Service Act is to meet the shortage of  
2 bachelor's and master's degree social workers in the children,  
3 youth and families department by increasing the number of  
4 social workers through a program of educational loans for  
5 social workers. Each applicant shall declare the intent to  
6 work as a social worker for the department after graduation and  
7 licensure.

8 SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the  
9 Social Worker Loan for Service Act:

10 A. "loan" means a grant of money to defray the  
11 costs incidental to a social work education during the last two  
12 years of a bachelor's degree or during the last year of a  
13 master's program in an institution of higher learning  
14 enumerated in Article 12, Section 11 of the constitution of New  
15 Mexico, which requires repayment with services or repayment of  
16 principal and interest;

17 B. "social worker" means a person who holds a  
18 bachelor's or master's degree in social work, is licensed in  
19 New Mexico to practice social work and is a loan recipient; and

20 C. "student" means a resident of New Mexico who is  
21 enrolled in an accredited social work program at an institution  
22 of higher learning enumerated in Article 12, Section 11 of the  
23 constitution of New Mexico.

24 SECTION 4. [NEW MATERIAL] SOCIAL WORKER LOANS--  
25 QUALIFICATIONS--DUTIES OF DEPARTMENTS.--

.195805.2

underscoring material = new  
~~[bracketed material] = delete~~

1           A. The higher education department may grant a loan  
2 to a student that the children, youth and families department  
3 deems qualified to receive the loan upon terms and conditions  
4 that the higher education department determines pursuant to the  
5 provisions of the Social Worker Loan for Service Act and rules  
6 adopted pursuant to that act.

7           B. The higher education department shall receive  
8 and allow or disallow an application approved by the children,  
9 youth and families department for a student enrolled full time  
10 in the last two years of a bachelor's of social work degree  
11 program or enrolled full time in the last year of a master's of  
12 social work degree program who declares the intent to practice  
13 social work as an employee of the children, youth and families  
14 department. That department may require the loan recipient to  
15 practice in an underserved area of the state.

16           C. The children, youth and families department  
17 shall make a full and careful investigation of the ability,  
18 character and qualifications of each applicant and determine  
19 fitness to practice social work as an employee of the  
20 department.

21           D. A student who has received a loan for a  
22 bachelor's degree is eligible to extend the loan to cover the  
23 last year of a master's degree program, and the contract  
24 between the student and the higher education department shall  
25 be changed to reflect new repayment dates and amounts.

.195805.2

1           SECTION 5.   [NEW MATERIAL] LOAN CONTRACT TERMS--

2   REPAYMENT.--

3           A.   Each applicant who is approved for a loan by the  
4   higher education department may be granted a loan in such  
5   amounts and for such periods as the department determines.  The  
6   loan shall not exceed the necessary expenses incurred while  
7   attending a social work degree program.

8           B.   A loan shall bear interest at the rate of:

9                   (1)  eighteen percent per year if the student  
10   completes an applicable social work degree program and no  
11   portion of the principal and interest is forgiven pursuant to  
12   Subsection F of this section; or

13                   (2)  seven percent per year in all other cases.

14           C.   Loans made pursuant to the Social Worker Loan  
15   for Service Act shall not accrue interest until:

16                   (1)  the higher education department determines  
17   the loan recipient has:

18                           (a)  terminated the social work degree  
19   program prior to completion;

20                           (b)  failed to become licensed; or

21                           (c)  failed to fulfill the recipient's  
22   obligation to work for the children, youth and families  
23   department; or

24                   (2)  the higher education department cancels a  
25   contract between the loan recipient and the department pursuant

.195805.2

underscored material = new  
~~[bracketed material] = delete~~

1 to Section 8 of the Social Worker Loan for Service Act.

2 D. The loan shall be evidenced by a contract  
3 between the student and the higher education department acting  
4 on behalf of the state. The contract shall provide for the  
5 payment by the state of a stated sum covering the costs of a  
6 social work degree program and shall be conditioned on the  
7 repayment of the loan to the state over a period established by  
8 the higher education department after the completion of the  
9 program. The contract shall also specify employment and other  
10 requirements of the children, youth and families department,  
11 including working in underserved areas of the state. If a loan  
12 recipient is not employed by the children, youth and families  
13 department because the department does not have an appropriate  
14 vacancy or sufficient appropriations or because of another  
15 reason not the fault of the loan recipient, the higher  
16 education department may extend the time before the loan  
17 repayment is due and may consider alternative service or  
18 employment as suitable for loan forgiveness.

19 E. A loan made to a loan recipient who fails to  
20 complete the social work degree program or who fails to become  
21 licensed shall become due immediately upon termination of the  
22 loan recipient's participation in the program without a degree  
23 or upon failure to meet the qualifications for licensure. The  
24 higher education department, in consultation with the loan  
25 recipient, shall establish terms of repayment, alternate

.195805.2

underscored material = new  
[bracketed material] = delete

1 service or cancellation terms.

2 F. The contract shall provide that the higher  
3 education department shall forgive a portion of the loan for  
4 each period the social worker is employed by the children,  
5 youth and families department in a case worker or other social  
6 work position. The loan shall be forgiven as follows:

7 (1) loan terms of one year shall require one  
8 year of service. Upon completion of service, one hundred  
9 percent of the loan shall be forgiven; and

10 (2) loan terms of two years or more shall  
11 require one year of service for each year of the loan. Upon  
12 completion of each year of service, the attendant amount of the  
13 loan shall be forgiven.

14 G. A social worker shall serve a complete contract  
15 year to receive credit for that year. The minimum credit for a  
16 year shall be established by the higher education department.

17 H. If a loan recipient completes the social work  
18 degree program and is not employed by the children, youth and  
19 families department, the higher education department may assess  
20 a penalty of up to three times the principal due, plus eighteen  
21 percent interest. The higher education department, in  
22 consultation with the children, youth and families department,  
23 may find extenuating circumstances that prevent the loan  
24 recipient from being employed. If extenuating circumstances  
25 are not found for the loan recipient's failure to carry out the

.195805.2

underscoring material = new  
[bracketed material] = delete

1 declared intent to practice social work with the children,  
2 youth and families department, the higher education department  
3 shall require immediate repayment of the loan plus the amount  
4 of interest and any penalty assessed.

5 I. The higher education department shall adopt and  
6 promulgate rules to implement the provisions of this section.  
7 The rules may provide for the repayment of loans in annual or  
8 other periodic installments.

9 SECTION 6. [NEW MATERIAL] CONTRACTS--APPROVAL--  
10 ENFORCEMENT.--The general form of the contract shall be  
11 prepared and approved by the attorney general and signed by the  
12 student and a designee of the higher education department on  
13 behalf of the state. The department is vested with full and  
14 complete authority and power to sue in its own name for any  
15 balance due the state from a loan recipient on a contract.

16 SECTION 7. [NEW MATERIAL] FUND CREATED--METHOD OF  
17 PAYMENT.--The "social worker loan for service fund" is created  
18 as a nonreverting fund in the state treasury. Money  
19 appropriated for loans pursuant to the Social Worker Loan for  
20 Service Act; earnings from investment of the fund; gifts,  
21 grants and donations to the fund; and all payments of principal  
22 and interest on loans made pursuant to that act shall be  
23 deposited in the fund. The fund shall be administered by the  
24 higher education department. All payments of money for loans  
25 shall be made on warrants drawn by the secretary of finance and

.195805.2

underscored material = new  
[bracketed material] = delete

1 administration pursuant to vouchers signed by the secretary of  
2 higher education or the secretary's designated representative.

3 SECTION 8. [NEW MATERIAL] CANCELLATIONS.--The higher  
4 education department may cancel a contract between it and a  
5 loan recipient for any reasonable cause deemed sufficient by  
6 the department.

7 SECTION 9. [NEW MATERIAL] REPORTS.--The higher education  
8 department, with the assistance of the children, youth and  
9 families department, shall report annually by January 1 to the  
10 governor and the legislature on their activities pursuant to  
11 the Social Worker Loan for Service Act, including loans  
12 granted, the names and home towns of students who received  
13 loans, the social work degree program being attended by each  
14 student and the names, positions and locations of social  
15 workers who have completed their education and are employed by  
16 the children, youth and families department.

17 SECTION 10. APPROPRIATION.--Two million dollars  
18 (\$2,000,000) is appropriated from the general fund to the  
19 Social Worker Loan for Service Fund for expenditure in fiscal  
20 year 2015 and subsequent fiscal years to carry out the  
21 provisions of the Social Worker Loan for Service Act. Any  
22 unexpended or unencumbered balance remaining at the end of a  
23 fiscal year shall not revert to the general fund.