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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**56th Legislature, 1st Session, 2023**

<b>Bill Number</b>	<u>SB325</u>	<b>Sponsor</b>	<u>Soules/Sariñana</u>
<b>Tracking Number</b>	<u>.224138.5SA</u>	<b>Committee Referrals</b>	<u>SEC/SFC</u>
<b>Short Title</b>	<u>School Counselor Teacher Loan Repayment</u>		
<b>Analyst</b>	<u>Hoxie</u>	<b>Original Date</b>	<u>2/9/2023</u>
		<b>Last Updated</b>	<u></u>

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**BILL SUMMARY**

Synopsis of Bill

Senate Bill 325 (SB325) expands the Teacher Loan Repayment Act to include social workers and school counselors who work in a public school. The bill defines a “school counselor” as a licensed counselor who is employed in a public school and defines “social worker” as a licensed social worker who is employed at a public school to provide social work services.

SB325 provides eligibility requirements for school counselors and social workers. A school counselor or social worker must have provided services for at least three years. The bill prioritizes social workers or school counselors working in high-need areas in New Mexico for loan repayment awards. Under provisions of the bill, loan repayment amounts shall not exceed \$6,000 per year and may be modified based upon funding availability or other special circumstances.

SB325 has an effective date of July 1, 2023.

**FISCAL IMPACT**

The bill does not contain an appropriation.

Both LESC and LFC budget recommendations include a \$2.5 million nonrecurring appropriation from the public education reform fund to the teacher loan repayment fund. The LFC higher education budget recommendation includes a \$5 million nonrecurring appropriation from the teacher loan repayment fund to the Higher Education Department (HED) to award Teacher Loan Repayment Act scholarships. The \$5 million appropriation could provide approximately 830 Teacher Loan Repayment Act scholarships.

**SUBSTANTIVE ISSUES**

**Teacher Loan Repayment Act.** SB325 would amend Sections 21-22H-1 through 21-22H-9 NMSA 1978 of the Teacher Loan Repayment Act. The teacher loan repayment program grants a

loan repayment award up to \$6,000 per year per teacher to repay student loans. The bill expands eligibility for the Teacher Loan Repayment Act to social workers and school counselors.

There is high demand for loan repayment awards as HED reports over 1,600 total applicants in FY22 and FY23. Currently, teachers can be considered for the program if they are a licensed New Mexico teacher who has taught for three years in New Mexico. Under provisions of SB325, school counselors and social workers can be considered for the program if they are a licensed social worker or school counselor who has provided services for three years. Current statute provides that teachers can be considered a high-priority applicant for a loan repayment award if they teach in “high-need” position including:

- Teachers who are endorsed and teach bilingual education;
- Teachers who are endorsed and teach early childhood education or special education;
- Teachers who are endorsed and teach science, technology, engineering, mathematics or career technical education courses; or
- Teachers who work in a public school that is low performing or serves a high percentage of economically disadvantaged students.

Under provisions of SB325, school counselors and social workers can be considered a high-priority applicant for the loan repayment program if they are providing services in high-need areas in the state. SB325 does not define “high-need areas in the state” the sponsor may wish to provide a definition.

New Mexico State University agency analysis notes social work and school counseling programs may see an increase in interest throughout the state as the availability of loan forgiveness for licensed school counselors and social workers in New Mexico will enhance the capacity of students to afford education expenses related to their programming.

**Teacher Loan Repayment Fund.** Section 21-22H-7 NMSA 1978 establishes a teacher loan repayment fund for making teacher loan repayments. [LFC](#) projects a FY23 ending balance of \$10.6 million for the teacher loan repayment fund. HED made 900 awards through this program in the FY23 cycle, more than doubling the 412 awards made in FY22. Funding just the continuation of 900 FY23 awards into their second year will cost approximately \$5.4 million in FY24.

**Loan Repayment Programs.** Loan-for-service and loan repayment programs are intended to increase the number of people who pursue a specific career path to fill shortages that occur in those professions, such as medicine or social work. According to the American Psychological Association, nearly 80 percent of graduate students in clinical social work and school counseling programs graduate with student loan debt. Providing access to student loan debt forgiveness for social workers and school counselors can help attract highly qualified mental health professionals to schools in New Mexico.

## **OTHER SIGNIFICANT ISSUES**

School social workers are trained to provide comprehensive supports and services to address barriers impacting students' social, emotional, and academic needs. According to the U.S. Department of Education, social work services include assessment and screening, individual and group counseling, crisis intervention, family support, and classroom instruction. [Research](#) on the effectiveness of school social work services shows increases student outcomes related to academic achievement, physical and psychological safety, improved mental and behavioral health, increased attendance, and improved family and community involvement. The National Association of Social

Workers (NASW) cites an ideal ratio of students to social workers as 250-to-1, with that ratio reduced to 50-to-1 for students with intensive needs. While NASW does not define “intensive needs” qualifying for their 50-to-1 ratio, student populations in New Mexico have higher-than-national rates of poverty and homelessness. The ratio of students to social workers varies across the state. For example, according to PED, during the 2021-2022 school year, Albuquerque public schools had a total of 182 social workers, a district-wide students to social worker ratio of 390-1. According to PED data from October 2022, during the 2021-2022 school year, 735 social workers were employed statewide in New Mexico’s schools.

**SOURCES OF INFORMATION**

- LESC Files
- New Mexico State University

**EH/cf/mca/mb**