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## FISCAL IMPACT REPORT

SPONSOR Soules/Sariñana LAST UPDATED 3/2/23  
ORIGINAL DATE 2/9/23  
BILL  
SHORT TITLE School Counselor Teacher Loan Repayment NUMBER Senate Bill 325  
ANALYST Helms

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
		Indeterminate to \$1,200.0	Indeterminate to \$1,200.0	Indeterminate to \$2,400.0	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to House Appropriations and Finance Committee version of House Bill 2

### Sources of Information

LFC Files

#### Responses Received From

Human Services Department (HSD)  
New Mexico State University (NMSU)  
Higher Education Department (HED)  
Public Education Department (PED)

#### No Response Received

University of New Mexico (UNM)

## SUMMARY

### Synopsis of Senate Bill 325

Senate Bill 325 amends the Teacher Loan Repayment Act to include school counselors and social workers.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## FISCAL IMPLICATIONS

Senate Bill 325 does not include an appropriation. The House Appropriations and Finance

Committee version of House Bill 2 appropriates \$7.5 million to the teacher loan repayment fund, up from \$5 million for the fund in FY23.

LFC analysis estimates integrating additional instructional support providers, namely counselors and social workers, into the teacher loan repayment fund would require greater disbursements of \$1.2 million to maintain the level of funding of \$5 million currently going to the teacher workforce. This would total \$6.2 million, \$1.3 million less than House Bill 2 appropriations.

The expanded eligibility in SB325 would make over 1,600 individuals who work in schools as social workers or school counselors eligible to apply for loan repayment. The amount of \$1.2 million would provide repayments of \$6,000, the FY22 average disbursement for teachers, to 200 counselors and social workers, an estimate of the number of social workers or counselors that could apply for loan repayment based on the proportion of teachers who do so.

The most recent information from the Higher Education Department shows the FY22 Teacher Loan Repayment Program cohort was 564 awards totaling \$3.4 million, with an average award of \$6,000 provided for two years; for FY23, HED had received 1,075 applications as of October 2022 and was still processing the applications for eligibility. This data from HED indicates it received at least twice the number of applications than available scholarships and costs would be roughly \$6.45 million to provide scholarships to all teacher applicants (though some may not be eligible). Adding social workers and counselors to the loan repayment program could create additional competition for available awards.

## **SIGNIFICANT ISSUES**

The Teacher Loan Repayment Act currently includes

- Bilingually endorsed teachers actively teaching bilingual education;
- Teachers endorsed in and teacher early childhood or special education;
- Teachers in science, technology, engineering, and math;
- Teachers in career technical education;
- Teachers who are minorities;
- And teachers working in a low performing public school or a public school with a high percentage of economically disadvantaged students.

Notably, while SB325 makes social workers and counselors eligible for repayment, other instructional support providers, including those providing other mental health and health services for at-risk student populations named in the act, will remain ineligible.

Analysis from HED notes they currently serve a total of 1,134 loan repayment program participants working in over 66 school districts throughout New Mexico. Teachers who have applied for loan repayment assistance within New Mexico public schools have an average debt of \$50,800. Their analysis notes it is unknown how many social workers and school counselors working in high-need schools may be eligible.

## **OTHER SUBSTANTIVE ISSUES**

Analysis from the Human Services Department notes:

As it stands currently, New Mexico public schools are experiencing a shortage of

teachers and ancillary service providers, and more so in those areas. By enacting legislation for loan repayment, not only for teachers, but counselors and social workers, those much-needed services will be enhanced by attracting and enticing social workers and counselors to provide their services in the public school sector, especially in those school districts of high need.

Also providing this benefit to behavioral health providers may incentivize individuals who are currently providing support to educational institutions to relocate to rural and disadvantaged communities, resulting in more adequate staffing levels for schools. This could overall decrease the burden that those communities experience regarding behavioral health concerns among students.

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