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FISCAL IMPACT REPORT

ORIGINAL DATE 03/13/09

SPONSOR Saavedra LAST UPDATED _____ HM 81

SHORT TITLE Study Social Worker Demand & Education SB _____

ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1 minimal	\$0.1 minimal		Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Higher Education Department (NMHED)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Memorial 81 requests DOH and Children, Youth & Families Department (CYFD) to conduct a study to determine the need for social workers, the cost of graduate social work education, and the need for student loan forgiveness for social workers.

The Memorial provides for the following:

- loan forgiveness programs encourage future professionals to pursue certain fields of study by offsetting incurred loan debt with payments for certain work-related requirements that must be fulfilled by the student borrower;
- according to the board of social work examiners, New Mexico had only three thousand five hundred social workers licensed at the master's level in 2008;
- according to Workforce Solutions Department, a beginning master's level social worker earns an average of twenty-five thousand dollars (\$25,000) per year, but graduates with an average debt of twenty-six thousand seven hundred dollars (\$26,700);
- in FY08, an estimated eighty thousand two hundred fifty-four consumers were served with mental health services, according to the annual report of the interagency behavioral health purchasing collaborative;
- as a group, social workers are traditionally the largest provider of mental health services;

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- the Health Policy Commission(HPC) manages a Geographic Access Data System that collects and reports information on the distribution of selected health professionals in rural and underserved areas to inform policy decisions regarding the need for health professionals in those areas; and
- data regarding the availability or need for social workers is not included in the Geographic Access Data System.

FISCAL IMPLICATIONS

The bill will require staff time to convene the study group and prepare a report. DOH believes it can be done within existing staff and resources.

HPC has reported on similar legislation this session that more social worker data breakout in the Geographic Access Data System would impact staff and resources.

Members of the study group may be eligible for per diem and mileage pursuant to the Per Diem and Mileage Act. Costs would be determined by how often the study group meets and how many social workers and students are invited to participate.

Any additional fiscal impact would be dependent upon what recommendations made by the study group are ultimately implemented.

The study would develop criteria for awarding student loan forgiveness to social work students. HED has reported on similar legislation this session that it has 70 participants in the Health Professional Loan Repayment Program (HPLRP). Approximately ten percent of those participants are social workers. For the social work participants, the average award is \$23,300 for a two-year service commitment. From FY08 to FY09 the average award for HPLRP was increased from \$21,635 to \$36,600 in response to an increase in HPLRP applications from 92 to 230 during that period.

CYFD employs the majority of social workers in state government and has a stipend program for social workers who agree to work for a specified period of time during and following graduation.

SIGNIFICANT ISSUES

The Memorial also requires the study to identify current shortages of social workers, particularly in rural areas, and develop criteria for awarding student loan forgiveness to social work students. DOH and CYFD should collaborate with HPC to identify the steps necessary to include social workers in the geographic access data system. DOH and CYFD would consult with the New Mexico Chapter of the National Association of Social Workers and an association representing social work students. The findings and recommendations of the study must then be presented to the interim legislative Health and Human Services Committee by October 1, 2009.

PERFORMANCE IMPLICATIONS

SPO has previously noted that the classified system has over 623 social worker positions with an approximate 11% vacancy rate.

ADMINISTRATIVE IMPLICATIONS

Social workers are a vital part of the behavioral health provider network in New Mexico. DOH notes that the Las Vegas Behavioral Health Institute is also a significant employer of social workers providing mental health services.

ALTSD has reported on similar legislation this session that it is difficult to recruit and retain social workers into positions with the Adult Protective Services Division of ALTSD. APS investigates 5,700 cases of adult abuse and neglect annually. A social worker's education and public health background provide the necessary foundation for the effective investigation of abuse, neglect or exploitation.

TECHNICAL ISSUES

The Higher Education Department could also be asked to consult with DOH and CYFD regarding criteria for awarding loan forgiveness to social work students (page 3, lines 7 and 8).

OTHER SUBSTANTIVE ISSUES

Across the country, loan repayment programs are becoming a cost-effective method of workforce based financial aid. From FY03 to FY08 HED awarded nearly \$18 million in loan programs to address state workforce needs. In 2008, HED stated in its annual report that nearly one third of the graduate degrees awarded in New Mexico are in education.

ALTERNATIVES

The State of New Mexico can utilize the current HPLRP to assist individuals in professional shortage areas such as social work.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A study to determine the need for social workers, the cost of graduate social work education, and the need for student loan forgiveness for social workers will not take place through this Memorial.

AHO/mt