

1 SENATE BILL 33

2 **52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015**

3 INTRODUCED BY

4 Michael Padilla

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10 AN ACT

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

21
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

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

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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.--

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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.

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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

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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

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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 for a funded and open social worker
20 position, the higher education department may assess a penalty
21 of up to three times the principal due, plus eighteen percent
22 interest. The higher education department, in consultation
23 with the children, youth and families department, may find
24 extenuating circumstances that prevent the loan recipient from
25 being employed. If extenuating circumstances are not found for

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

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

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

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

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1 shall be made on warrants drawn by the secretary of finance and
2 administration pursuant to vouchers signed by the secretary of
3 higher education or the secretary's designated representative.

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

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

18 SECTION 10. APPROPRIATION.--Two million dollars
19 (\$2,000,000) is appropriated from the general fund to the
20 social worker loan for service fund for expenditure in fiscal
21 year 2016 and subsequent fiscal years to carry out the
22 provisions of the Social Worker Loan for Service Act. Any
23 unexpended or unencumbered balance remaining at the end of a
24 fiscal year shall not revert to the general fund.