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## FISCAL IMPACT REPORT

**SPONSOR** Sanchez, C **ORIGINAL DATE** 3/6/2015 **LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** Loans to Social Workers and Psychologists **SB** 588

**ANALYST** Hartzler

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$200.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to

HB 341, Children, Youth and Families Loan Repayment Program

SB 33, Establish Loan Forgiveness Program for Social Workers

Duplicates Appropriation in the General Appropriation Act, Section 4J, Higher Education Department, Student Financial Aid

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Children, Youth, and Families Department (CYFD)

Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 588 appropriates \$200 thousand from the general fund to HED to expand the allied health student loan program and specifically serve more students intending to practice as licensed social workers and psychologists in counties designated as federal Health Professional Shortage Areas (HSPAs) and having a population of less than 140 thousand according to the 2010 Census.

## **FISCAL IMPLICATIONS**

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. The bill states that any unexpended or unencumbered balance remaining at the end of FY16 shall revert to the general fund. However, should the appropriation be included in Section 4 of the General Appropriation Act, the appropriation would not revert pursuant to language in that section.

HED reported \$104.8 thousand in general fund support for the allied health student loan program, providing 9 students with awards averaging \$11.6 thousand per award. At this average award level, SB 588 could fund approximately 20 social worker and psychology students. HB 2, as passed by the House, includes a \$420 thousand general fund appropriation for this program, though the increase in funding is not set-aside for social workers or psychologists. Should SB 588 and the House-passed HB 2 be enacted, the allied health student loan program would receive a \$620 thousand general fund appropriation – a nearly 500 percent increase over the FY15 funding level.

## **SIGNIFICANT ISSUES**

According to DOH, CYFD, and HED, students who received loan assistance under SB 588 would be required to work as licensed social workers or psychologists in any of New Mexico counties except Bernalillo, Los Alamos, Sandoval, and Santa Fe. Three of these counties have populations over 140 thousand, and Los Alamos is not a designated HSPA. Student recipients would need to be advised that, should they work in one of the four prohibited counties, their awards would be converted to loans to be repaid.

## **PERFORMANCE IMPLICATIONS**

HED reports awards made, awards in repayment or service status, and delinquencies for the allied health student loan program. CYFD has performance measures related to vacancy factors, and this program to increase the number of social workers and psychologists could lead to positive outcomes for the department.

## **ADMINISTRATIVE IMPLICATIONS**

With increased funding, HED would review more applications for the allied health student loan program and make more awards.

## **RELATIONSHIP**

SB 588 relates to HB 341 (CYFD Loan Repayment), SB 33 (Social Worker Loan Forgiveness), and an existing appropriation in the General Appropriation Act for HED's student financial aid program.

TH/aml