

National Association of Social Workers – New York State and New York City Chapter

FY 2025-26 Legislative Position Paper

THE NEW YORK STATE AND NEW YORK CITY CHAPTER OF THE NATIONAL ASSOCIATION OF SOCIAL WORKERS (NASW-NYS) SUPPORTS A BUDGET BILL TO EXPAND LOAN FORGIVENESS PROGRAMS FOR SOCIAL WORKERS ACROSS THE STATE.

Bill Sponsors: TBD

*Background:* The New York State Licensed Social Worker Loan Forgiveness (LSWLF) Program was first introduced in the State's budget in 2014. At the program's inception, the State budget allocated \$1,228,000 to the New York State Higher Education Services Corporation (HESC) for social work loan forgiveness. A year later the program was funded at \$1,478,000, A \$250,000 increase. In the 2023 Budget, the HESC was funded at \$1,199,312,000. The FY 2024 Executive Budget recommended a \$1.2 million increase in total appropriations for the HESC to create and administer State scholarship and loan forgiveness programs to assist social worker's pursuit of a college education. Not meeting the demand for college education assistance, the FY 2024 appropriation level represents a \$7 million net increase from the previous year, primarily due to a new Federal grant award to administer Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) in New York.

During and post the COVID-19 Pandemic, human services organizations, community assessments, parents, and other community activists have repeatedly called for an increase of mental health practitioners to address the problematic mental health status of adults and children. Unfortunately, the mental health professional pool has been unable to satisfactorily meet the requisite demand. To do so in the future, it is essential to encourage and support those individuals who are interested in becoming a mental health provider. To mitigate against the rising costs of undergraduate and graduate education, loan forgiveness subsidies are a strong incentive for students to pursue an undergraduate and graduate social work education.

This approach of increasing the provider pool has been demonstrated as an effective strategy as representative of the loan forgiveness programs for medical personnel to provide healthcare services in underserved areas.

For Example:

In 2016, the State's budget allocated \$74,908,000 for the New York State Regents Physician Loan Forgiveness Program (LF) and as of 2021, this program has had an annual allocation of \$54,149,000. In 2023, the New York State Budget provided funds for the New York State Regents Physician Loan Forgiveness Program to include at least 80 awards up to \$10,000 per year for two years. The amount in this program is based on undergraduate and medical school student loan amounts, loan interest expense, and income. After eligible individuals received

awards in July of 2023, the FY 2024 New York State Budget provided funding for the same level of awards.

In 2022, in response to the Covid-19 pandemic, The Nurses Across New York (NANY) legislation was enacted with a \$2,500,000 allocation establishing loan repayment awards for Registered Professional Nurses (RN) and Licensed Practical Nurses (LPN). The intent of loan forgiveness legislation in the medical field was to promote, strengthen, and increase the number of nurses in underserved communities across the State; thus, giving healthcare workers the opportunity to efficiently practice their profession, while being debt-free from their costly and time-consuming education. The FY 2023 New York State budget included an investment of \$1.4 million to strengthen the health care worker profession. The Nurses Across New York program received a \$2.5 million investment in the FY 2023 Budget and \$3 million in FY 2024 to promote, strengthen, and increase the number of nurses in underserved communities by providing reimbursement for loan repayment for nurses working in underserved areas for three years.

#### The Problem:

New York State social workers are encumbered with high amounts of student loan debt, and low base salaries; making it nearly impossible for social workers to achieve loan forgiveness. Furthermore, the existing LSWLF program limits eligibility to licensed social workers (LMSW). This first level social work license (LMSW) requires completion of a Master of Social Work degree from an accredited program that includes mandatory courses and at least 900 hours of field practicum experience. In addition, graduates seeking the LMSW designation must pass the first level Master of Social Work exam administered by the Association of Social Work Boards (ASWB).

Data released by the ASWB reveals that the largest proportion of master's exam test-takers identify as white. "When considering the Master's exam performance of test-takers by race/ethnicity, first-time pass rates have historically been highest for white test-takers, averaging 85.8 percent during the 2018–2021 time period, followed by multiracial (80 percent), Asian (71 percent), Native American/Indigenous peoples (64.4 percent), Hispanic/Latino (63 percent), and Black (44.5 percent) test-takers (2022 ASWB Exam Pass Rate Analysis)." Although it may not be the intention, by exclusively offering the loan forgiveness program to licensed social workers in New York State, the program ultimately excludes social workers of Color and others who elect not to pursue the LMSW yet choose to be practicing social workers. It is imperative that the loan forgiveness program must not exclude any social worker, regardless of their licensure. Once an individual graduates from an accredited university, they are considered a social worker in the State. It is a personal and financial choice to become a licensed social worker. Social work licensure should not determine the financial assistance that is provided by the State.

#### Legislative Requests:

Expand the existing program for all New York State social workers. Social workers at all levels, including Master of Social Work (MSW), Licensed Master of Social Work (LMSW), and Licensed Clinical Social Workers (LCSW) should be eligible to receive loan forgiveness opportunities.

- NASW-NYS Chapter requests an amendment to the authorizing legislation that changes eligibility criteria to include Master of Social Work in the Title.
- A new/revised budget bill that includes the following eligibility and loan repayment process:
- The awardee agrees to work in or work within an agency for three consecutive years that provides services to designated workforce shortage areas.

#### Recommended Payment Process:

Loan payment awards, subject to appropriations, will be distributed regionally with one third of appropriations designated for New York City and two thirds of appropriations designated for Upstate New York. Funds shall be distributed in a manner to be determined by the State of Education Commissioner without a competitive bid or request for proposals.

The Commissioner will be authorized to distribute loan forgiveness payments according to the following schedule:

- Thirty percent (30%) of total award for the first year;
- Thirty percent (30%) of total award for the second year;
- And any unpaid balance of the total award, not to exceed the maximum award amount, for the third year.

#### Co-Sponsors:

To be determined