

# State of South Dakota

EIGHTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2007

354N0488

## SENATE HEALTH AND HUMAN SERVICES COMMITTEE ENGROSSED NO. **SB 162** - 01/29/2007

Introduced by: Senators Albers, Gant, Kloucek, McCracken, Napoli, and Nesselhuf and  
Representatives Nygaard, Cutler, Dennert, Dreyer, Street, and Van Etten

1 FOR AN ACT ENTITLED, An Act to establish an alcohol and drug addiction counselor loan  
2 forgiveness program and to make an appropriation therefor.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. Terms used in this Act mean:

5 (1) "Department," the Department of Human Services;

6 (2) "Chemical dependency counselor," "counselor," as the term is defined in § 34-20A-2;

7 (3) "Accredited prevention or treatment facility," as the term is defined in § 34-20A-2;

8 (4) "Qualified alcohol and drug addiction loan forgiveness applicant" "qualified  
9 applicant," a person who meets the criteria specified in section 2 of this Act;

10 (5) "Student loan," any federally insured student loan, any education loan provided by  
11 this or any other state, or any education loan from any private or public source. A  
12 loan is a qualifying loan if the applicant can document that the proceeds of the loan  
13 were paid to an educational institution for use in the completion of a postsecondary  
14 undergraduate or graduate degree that is directly related to the applicant's  
15 employment as a chemical dependency counselor in South Dakota.



1 Section 2. The alcohol and drug addiction counselor loan forgiveness program is hereby  
2 established. For purposes of this Act, a qualified alcohol and drug addiction loan forgiveness  
3 applicant is a person who:

- 4 (1) Is a resident of South Dakota;
- 5 (2) Has successfully completed a four-year academic degree or graduate level academic  
6 degree at an accredited college or university located in South Dakota;
- 7 (3) Has been hired as a full-time chemical dependency counselor by an accredited  
8 prevention or treatment facility in South Dakota;
- 9 (4) Has successfully completed the first six months of full-time employment as a  
10 chemical dependency counselor at an accredited prevention or treatment facility in  
11 South Dakota and remains in good standing with the facility;
- 12 (5) Has a current outstanding student loan balance.

13 Section 3. A qualified applicant who is selected for the alcohol and drug addiction counselor  
14 loan forgiveness program in accordance with this Act is eligible for payment by the department  
15 of a portion of student loans incurred by the applicant for the education necessary to be a  
16 chemical dependency counselor if the qualified applicant enters into a contract with the  
17 department that requires the qualified applicant to remain employed as a full-time chemical  
18 dependency counselor in South Dakota for a period of four consecutive years. A loan  
19 forgiveness award under this Act may not be made for a loan that is in default at the time of the  
20 application. Loan forgiveness provided under the provisions of this Act may not be concurrently  
21 awarded to a recipient of another loan forgiveness program provided by the State of South  
22 Dakota.

23 Section 4. Under the alcohol and drug addiction counselor loan forgiveness program, the  
24 department may repay a proportional part of the qualified applicant's loan so that the loan may

1 be entirely repaid over four years of full-time staff work. No more than two thousand dollars  
2 may be repaid for an applicant in any year, and no more than ten thousand dollars may be repaid  
3 for any applicant. Payments shall be made in accordance with the procedures established by the  
4 agency in rules promulgated pursuant to chapter 1-26.

5 Section 5. The contract entered into with the department pursuant to section 3 of this Act  
6 is a contract with the State of South Dakota and shall include the following terms:

- 7 (1) The recipient shall agree to be employed by an accredited prevention or treatment  
8 facility located in South Dakota;
- 9 (2) The recipient shall permit the department to determine compliance with the work  
10 requirement and all other terms of the contract;
- 11 (3) Upon the recipient's death or total or permanent disability, the department shall  
12 nullify the service obligation of the recipient;
- 13 (4) If the recipient is convicted of or pleads guilty or no contest to a felony, the  
14 department may terminate the recipient's service in the program and demand  
15 repayment of the amount of the loan as of the date of the conviction;
- 16 (5) Loan recipients who fail to begin or complete the obligations contracted for shall pay  
17 to the department the amount of the loan received under the terms of the contract  
18 pursuant to this Act. Providing false information or misrepresentation on an  
19 application or verification of service is deemed a default. Determination as to the  
20 time of the default shall be made by the department.

21 Section 6. Recipients of loan forgiveness awards under this Act shall be those chemical  
22 dependency counselors who are working in and who have received a satisfactory rating from  
23 an accredited prevention or treatment facility. Counselors shall submit such documentation of  
24 eligibility as the department may require in rules promulgated pursuant to chapter 1-26,

1 including documentation to indicate full-time employment with an accredited prevention or  
2 treatment facility. The documentation shall be presented to the department in the form of a letter  
3 from the applicant's employer stating that the applicant is employed by the accredited prevention  
4 or treatment facility and that the applicant performs the applicant's duties in a satisfactory  
5 manner.

6 Section 7. The department shall publish a report by July 1, 2008, and every year thereafter  
7 for the immediately preceding fiscal year. The annual report shall be submitted to the Governor  
8 and to the Legislature and shall describe the operation of the program, including:

- 9 (1) The number and amount of chemical dependency counselor contracts executed and  
10 renewed for alcohol and drug addiction counselor loan forgiveness applicants;
- 11 (2) The number of defaulted alcohol and drug addiction counselor contracts, reported by  
12 cause;
- 13 (3) The number of full-time staff employees of accredited prevention or treatment  
14 facilities participating in the program, reported type of institution attended;
- 15 (4) The number and type of enforcement actions taken by the department.

16 Section 8. Loan forgiveness awards under this Act may be made to the extent that funds are  
17 appropriated by the Legislature and are sufficient to cover the administration of the program.  
18 If funding is insufficient to fully fund administration and all eligible applicants, priority shall  
19 be given to renewal applicants. Thereafter, the department shall use a random lottery system for  
20 determining which applicants receive loan forgiveness awards.

21 Section 9. There is hereby appropriated from the general fund the sum of one hundred fifty  
22 thousand dollars (\$150,000), or so much thereof as may be necessary, to the Department of  
23 Human Services to implement the alcohol and drug addiction counselor loan forgiveness  
24 program established pursuant to this Act.

1           Section 10. The secretary of human services shall approve vouchers and the state auditor  
2 shall draw warrants to pay expenditures authorized by this Act.

3           Section 11. Any amounts appropriated in this Act not lawfully expended or obligated by  
4 June 30, 2008, shall revert in accordance with § 4-8-21.