

1 HOUSE BILL 275

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

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8 FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE  
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10 AN ACT

11 RELATING TO HIGHER EDUCATION; PROVIDING FOR FINANCIAL AID FOR  
12 STUDENTS WHO WANT TO BECOME TEACHERS; CHANGING THE TEACHER LOAN  
13 REPAYMENT ACT TO MORE SPECIFICALLY TARGET THE TYPES OF HIGH-  
14 NEED TEACHERS WHO QUALIFY FOR THE PROGRAM; ENACTING THE COLLEGE  
15 OF EDUCATION AFFORDABILITY ACT; PROVIDING POWERS AND DUTIES;  
16 CREATING A FUND; TRANSITIONING FROM THE TEACHER LOAN FOR  
17 SERVICE ACT; MAKING APPROPRIATIONS.  
18

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

20 SECTION 1. Section 21-22H-1 NMSA 1978 (being Laws 2013,  
21 Chapter 177, Section 1) is amended to read:

22 "21-22H-1. SHORT TITLE.--~~[This act]~~ Chapter 21, Article  
23 22H NMSA 1978 may be cited as the "Teacher Loan Repayment  
24 Act"."  
25

SECTION 2. Section 21-22H-3 NMSA 1978 (being Laws 2013,

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1 Chapter 177, Section 3) is amended to read:

2 "21-22H-3. DEFINITIONS.--As used in the Teacher Loan  
3 Repayment Act:

4 A. "department" means the higher education  
5 department;

6 B. "designated [~~high-risk~~] high-need teacher  
7 positions" means teacher positions in specific public schools  
8 that are:

9 [~~(1) have been designated by the public  
10 education department as schools with a high percentage of  
11 students who are not meeting acceptable academic proficiency  
12 levels; and]~~

13 (1) for teachers who are endorsed and teach  
14 bilingual education;

15 (2) for teachers who are endorsed and teach  
16 early childhood education or special education; or

17 (3) for teachers who are Native American; and

18 [~~(2) are~~] (4) located in geographic areas  
19 with a high rate of poverty or the public school is a low-  
20 performing school; and

21 C. "loan" means a grant of money to defray the  
22 costs incidental to a teacher education, under a contract  
23 between the federal government and a teacher, requiring  
24 repayment of principal and interest."

25 SECTION 3. Section 21-22H-4 NMSA 1978 (being Laws 2013,  
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1 Chapter 177, Section 4) is amended to read:

2 "21-22H-4. DEPARTMENT POWERS AND DUTIES--TEACHER  
3 ELIGIBILITY--QUALIFICATIONS.--

4 A. The department may grant a loan repayment award  
5 to repay loans obtained for the teacher educational expenses of  
6 a teacher upon such terms and conditions as may be imposed by  
7 rules of the department.

8 B. Applicants shall be licensed New Mexico teachers  
9 [~~and shall be~~] who are bona fide citizens and residents of the  
10 United States and of New Mexico and have taught at least four  
11 years in New Mexico, including at least one year as a level two  
12 teacher. High priority shall be given to applicants [~~shall~~]  
13 who declare their intent to practice as teachers in designated  
14 [~~high-risk~~] high-need teacher positions in the state.

15 C. The department and the public education  
16 department shall jointly make a full and careful investigation  
17 of the ability and qualifications of each applicant and  
18 determine the fitness of a teacher to participate in the  
19 teacher loan repayment program."

20 SECTION 4. Section 21-22H-5 NMSA 1978 (being Laws 2013,  
21 Chapter 177, Section 5) is amended to read:

22 "21-22H-5. LOAN REPAYMENT AWARD CRITERIA--CONTRACT  
23 TERMS--PAYMENT.--

24 A. Loan repayment award criteria shall provide  
25 that:

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1 (1) for high-priority applicants, award  
2 amounts shall be dependent upon a specific public school's need  
3 for the designated [~~high-risk~~] high-need teacher position, as  
4 determined by the public education department, the teacher's  
5 total teacher education indebtedness and available balances in  
6 the teacher loan repayment fund;

7 (2) award amounts for other teachers shall be  
8 based on the need for a teacher position that can be filled by  
9 the applicant, as determined by the public education  
10 department, the teacher's total teacher education indebtedness  
11 and available balances in the teacher loan repayment fund;

12 [~~(2)~~] (3) preference in making awards shall be  
13 to teachers who have graduated from a New Mexico public post-  
14 secondary educational institution;

15 [~~(3)~~] ~~awards shall be made to eligible teachers~~  
16 ~~who fill a designated high-risk teacher position;~~

17 (4) award amounts may be modified based upon  
18 funding availability or other special circumstances; and

19 (5) the total amount of awards made to any one  
20 teacher shall not exceed the total teacher education  
21 indebtedness [~~of~~] remaining for that teacher.

22 B. The following teacher education debts are not  
23 eligible for repayment pursuant to the Teacher Loan Repayment  
24 Act:

25 (1) amounts incurred as a result of

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1 participation in state loan-for-service programs or other state  
2 programs whose purpose states that service be provided in  
3 exchange for financial assistance;

4 (2) scholarships that have a service component  
5 or obligation;

6 (3) loans from a commercial lender;

7 (4) personal loans from friends or relatives;

8 and

9 (5) loans that exceed individual standard  
10 school expense levels.

11 C. Every loan repayment award shall be evidenced by  
12 a contract between the teacher and the department acting on  
13 behalf of the state. The contract shall provide for the  
14 payment by the state of a stated sum to the teacher's federal  
15 government lender and shall state the obligations of the  
16 teacher under the program, including a minimum [~~two-school-~~  
17 ~~year~~] four-school-year period of service in a designated [~~high-~~  
18 ~~risk~~] high-need teacher position, quarterly reporting  
19 requirements and other obligations established by the  
20 department. The four-school-year period of service starts at  
21 the execution of the contract.

22 D. Teachers who serve a complete school year in a  
23 designated [~~high-risk~~] high-need teacher position shall receive  
24 credit for one year for the purpose of calculating [~~any~~] loan  
25 repayment award amounts. The minimum loan repayment award

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1 amount to be paid for each school year completed shall be  
2 established by the department.

3 E. The contract between a teacher and the  
4 department shall provide that, if the teacher does not comply  
5 with the terms of the contract, the teacher shall reimburse the  
6 department for all loan payments made on the teacher's behalf,  
7 plus reasonable interest at a rate to be determined by the  
8 department, unless the department finds acceptable extenuating  
9 circumstances for why the teacher cannot serve or comply with  
10 the terms of the contract.

11 F. Loan repayment awards shall be in the form of  
12 payments from the teacher loan repayment fund directly to the  
13 federal government lender of a teacher who has received the  
14 award and shall be considered a payment on behalf of the  
15 teacher pursuant to the contract between the department and the  
16 teacher. A loan repayment award shall not obligate the state  
17 or the department to the teacher's federal government lender  
18 for any other payment and shall not be considered to create any  
19 privity of contract between the state or the department and the  
20 lender.

21 G. The department, after consulting with the public  
22 education department, shall adopt rules to implement the  
23 provisions of the Teacher Loan Repayment Act. The rules shall  
24 provide:

25 (1) [~~shall provide~~] a procedure for

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1 determining the amount of a loan that will be repaid for each  
2 year of service in a designated [~~high-risk~~] high-need teacher  
3 position; and

4 (2) [~~may provide~~] for the disbursement of loan  
5 repayment awards to a teacher's federal government lender in  
6 annual or other periodic installments."

7 SECTION 5. Section 21-22H-7 NMSA 1978 (being Laws 2013,  
8 Chapter 177, Section 7) is amended to read:

9 "21-22H-7. TEACHER LOAN REPAYMENT FUND CREATED--METHOD OF  
10 PAYMENT.--The "teacher loan repayment fund" is created in the  
11 state treasury. All money appropriated for the teacher loan  
12 repayment program shall be credited to the fund, and any  
13 repayment of awards and interest received by the department  
14 shall be credited to the fund. Income from the fund shall be  
15 credited to the fund, and balances in the fund shall not revert  
16 to any other fund. Money in the fund is [~~appropriated~~] subject  
17 to appropriation by the legislature to the department for  
18 making loan repayment awards pursuant to the Teacher Loan  
19 Repayment Act. All payments for loan repayment awards shall be  
20 made upon vouchers signed by the designated representative of  
21 the department and upon a warrant issued by the secretary of  
22 finance and administration."

23 SECTION 6. Section 21-22H-9 NMSA 1978 (being Laws 2013,  
24 Chapter 177, Section 9) is amended to read:

25 "21-22H-9. REPORTS.--Prior to each regular session of the

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1 legislature, the department shall make annual reports to the  
2 governor and the legislature of the department's activities  
3 pertaining to the Teacher Loan Repayment Act; the loan  
4 repayment awards granted; the names and addresses of teachers  
5 who received loan repayment awards; the names and locations of  
6 the positions filled by those teachers; and the name of each  
7 teacher who received a loan repayment award who is not serving  
8 in a designated [~~high-risk~~] high-need teacher position, the  
9 reason the teacher is not serving in a designated [~~high-risk~~]  
10 high-need teacher position, the amount owed on the teacher's  
11 loan and the amount paid on the teacher's loan by [~~any~~] loan  
12 repayment awards."

13 SECTION 7. A new section of the Teacher Loan Repayment  
14 Act is enacted to read:

15 "[NEW MATERIAL] TEACHER LOAN REPAYMENT ACT AS STATE LOAN  
16 PROGRAM FOR TEACHERS.--On the effective date of this 2019 act,  
17 the Teacher Loan Repayment Act is the state's teacher loan  
18 program. The department shall not take new applications or  
19 enter into new contracts through the Teacher Loan for Service  
20 Act, but shall honor contracts currently in force pursuant to  
21 that act."

22 SECTION 8. A new section of Chapter 21 NMSA 1978 is  
23 enacted to read:

24 "[NEW MATERIAL] SHORT TITLE.--Sections 8 through 15 of  
25 this act may be cited as the "College of Education



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1 Affordability Act".

2 SECTION 9. A new section of Chapter 21 NMSA 1978 is  
3 enacted to read:

4 "[NEW MATERIAL] DEFINITIONS.--As used in the College of  
5 Education Affordability Act:

6 A. "department" means the higher education  
7 department;

8 B. "eligible student" means a New Mexico resident  
9 who is enrolled or enrolling at least half-time in an  
10 accredited educator preparation program at a New Mexico public  
11 post-secondary educational institution or tribal college at any  
12 time later than one hundred twenty days following high school  
13 graduation or the award of a high school equivalency credential  
14 and who is pursuing a teaching degree;

15 C. "scholarship" means a college of education  
16 affordability scholarship; and

17 D. "tribal college" means a tribally, federally or  
18 congressionally chartered tribal post-secondary educational  
19 institution located in New Mexico that is accredited by the  
20 north central association of colleges and schools."

21 SECTION 10. A new section of Chapter 21 NMSA 1978 is  
22 enacted to read:

23 "[NEW MATERIAL] CONDITIONS FOR ELIGIBILITY.--A scholarship  
24 may be awarded to an eligible student who:

25 A. has not earned a baccalaureate degree at the

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1 time the scholarship is awarded;

2 B. has demonstrated financial need consistent with  
3 the criteria promulgated by the department; and

4 C. has complied with other rules promulgated by the  
5 department to carry out the provisions of the College of  
6 Education Affordability Act."

7 SECTION 11. A new section of Chapter 21 NMSA 1978 is  
8 enacted to read:

9 "[NEW MATERIAL] PRIORITY OF SCHOLARSHIPS.--

10 A. The department shall award scholarships from the  
11 college of education affordability scholarship fund first to  
12 students who are:

- 13 (1) economically disadvantaged;
- 14 (2) English language learners;
- 15 (3) minority students; and
- 16 (4) students with disabilities.

17 B. After scholarships have been awarded to eligible  
18 students pursuant to Subsection A of this section, the  
19 department shall award scholarships to other eligible students  
20 as determined by department rule."

21 SECTION 12. A new section of Chapter 21 NMSA 1978 is  
22 enacted to read:

23 "[NEW MATERIAL] SCHOLARSHIP AUTHORIZED--ADMINISTRATION--  
24 PREFERENCE IN SCHOLARSHIP AWARDS.--

25 A. The department shall administer the College of

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1 Education Affordability Act and shall promulgate rules to carry  
2 out the provisions of that act.

3 B. Scholarships shall be awarded to qualified  
4 eligible students. Qualifications shall be determined by rule  
5 of the department.

6 C. The department shall allocate money to public  
7 post-secondary educational institutions and tribal colleges  
8 based on a student need formula calculated according to income  
9 reported on the free application for federal student aid and on  
10 the percentage of the institution's students classified as  
11 returning adults who are otherwise ineligible for state  
12 financial aid.

13 D. Public post-secondary educational institutions  
14 and tribal colleges shall make awards to qualifying eligible  
15 students based on financial need in an amount not to exceed  
16 four thousand dollars (\$4,000) per year for not more than five  
17 years as determined by rule of the department.

18 E. Money for the scholarship shall be placed in an  
19 account at the public post-secondary educational institution or  
20 tribal college in the name of the eligible student, and the  
21 money may be drawn upon to pay educational expenses charged by  
22 the institution, including tuition, fees, books and course  
23 supplies, and living expenses."

24 SECTION 13. A new section of Chapter 21 NMSA 1978 is  
25 enacted to read:

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1           "[NEW MATERIAL] DURATION OF SCHOLARSHIP.--Each scholarship  
2 is for a period of one semester. A scholarship may be renewed  
3 as long as the eligible student continues to meet the  
4 conditions of eligibility, until the eligible student graduates  
5 from a public post-secondary educational institution or tribal  
6 college."

7           SECTION 14. A new section of Chapter 21 NMSA 1978 is  
8 enacted to read:

9           "[NEW MATERIAL] TERMINATION OF SCHOLARSHIP.--A scholarship  
10 is terminated upon occurrence of one or more of the following:

11           A. the eligible student withdraws from the public  
12 post-secondary educational institution or tribal college or  
13 from the college of education or the eligible student fails to  
14 remain at least a half-time student;

15           B. the eligible student fails to achieve  
16 satisfactory academic progress; or

17           C. the eligible student is in substantial  
18 noncompliance with the College of Education Affordability Act  
19 or the rules promulgated pursuant to that act."

20           SECTION 15. A new section of Chapter 21 NMSA 1978 is  
21 enacted to read:

22           "[NEW MATERIAL] FUND CREATED.--The "college of education  
23 affordability scholarship fund" is created as a nonreverting  
24 fund in the state treasury that consists of income from  
25 investment of the fund; specified distributions;

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1 appropriations; and unspecified gifts, grants and donations to  
2 the fund. Money in the fund is subject to appropriation by the  
3 legislature to the department for scholarship awards as  
4 provided in the College of Education Affordability Act.  
5 Expenditures from the fund shall be by warrant of the secretary  
6 of finance and administration pursuant to vouchers signed by  
7 the secretary of higher education or the secretary's authorized  
8 representative."

9 SECTION 16. A new section of the Teacher Loan for Service  
10 Act is enacted to read:

11 "[NEW MATERIAL] TRANSITIONING FROM LOAN FOR SERVICE  
12 CONTRACTS.--On the effective date of this 2019 act, the higher  
13 education department shall not take new applications or enter  
14 into new contracts for teacher loans for service; however,  
15 nothing in this section shall be deemed to impair teacher loan  
16 for service contracts or the department's or loan recipients'  
17 obligations pursuant to those contracts outstanding on the  
18 effective date of this 2019 act."

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