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HOUSE BILL 341

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

INTRODUCED BY  
Jimmie C. Hall

AN ACT

RELATING TO PUBLIC SERVICE; ENACTING THE CHILDREN, YOUTH AND  
FAMILIES WORKER LOAN REPAYMENT ACT; PROVIDING POWERS AND  
DUTIES; GRANTING LOAN REPAYMENT AWARDS TO PUBLIC SERVICE  
WORKERS; PROVIDING FOR CONTRACTS, CONTRACT CANCELLATIONS AND  
CONTRACT ENFORCEMENT; CREATING A FUND.

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

SECTION 1. A new section of Chapter 21 NMSA 1978 is  
enacted to read:

"[NEW MATERIAL] SHORT TITLE.--This act may be cited as the  
"Children, Youth and Families Worker Loan Repayment Act"."

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

"[NEW MATERIAL] PURPOSE.--The purpose of the Children,  
Youth and Families Worker Loan Repayment Act is to increase the  
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1 number of public service workers employed with the children,  
2 youth and families department who are direct service providers  
3 in the protective services division or juvenile justice  
4 division of the children, youth and families department. That  
5 act provides for repayment of the principal and reasonable  
6 interest accrued on higher education loans obtained from the  
7 federal government or a commercial lender."

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

10 "[NEW MATERIAL] DEFINITIONS.--As used in the Children,  
11 Youth and Families Worker Loan Repayment Act:

- 12 A. "applicant" means a person applying for an  
13 award;
- 14 B. "award" means the grant of money to repay loans;
- 15 C. "critical field" means social work or other  
16 academic field of study that leads to a bachelor's or master's  
17 degree and that the children, youth and families department has  
18 determined to be critical to the work of the protective  
19 services division or juvenile justice division of the children,  
20 youth and families department;
- 21 D. "department" means the higher education  
22 department;
- 23 E. "fund" means the children, youth and families  
24 worker loan repayment fund;
- 25 F. "loan" means a grant of money under contract

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1 between the student and the federal government or a commercial  
2 lender to defray the costs incidental to an undergraduate or  
3 master's level education in a critical field and that requires  
4 either repayment of principal and interest or repayment in  
5 services;

6 G. "program" means the children, youth and families  
7 public service worker loan repayment program, which provides  
8 money to repay student loans in a critical field; and

9 H. "public service worker" means an employee of the  
10 children, youth and families department with a completed  
11 bachelor's or master's degree in a critical field who works  
12 directly with children and families in either the protective  
13 services division or juvenile justice division of the children,  
14 youth and families department. The children, youth and  
15 families department shall provide an annual list to the  
16 department of job classifications that qualify as "public  
17 service workers" for the purposes of the Children, Youth and  
18 Families Worker Loan Repayment Act."

19 SECTION 4. A new section of Chapter 21 NMSA 1978 is  
20 enacted to read:

21 "[NEW MATERIAL] POWERS AND DUTIES.--

22 A. The department may:

23 (1) grant an award to repay loans obtained for  
24 a public service worker upon such terms and conditions as may  
25 be imposed by rule of the department; and

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1 (2) delegate to other agencies or contract for  
2 the performance of services required by the program.

3 B. An applicant must be a public service worker  
4 before applying for the program."

5 SECTION 5. A new section of Chapter 21 NMSA 1978 is  
6 enacted to read:

7 "[NEW MATERIAL] AWARDS--CRITERIA--CONTRACT TERMS.--

8 A. Prior to receiving an award, the public service  
9 worker shall file an application with the department that meets  
10 the criteria established by rule of the department.

11 B. The following debts are not eligible for  
12 repayment pursuant to the Children, Youth and Families Worker  
13 Loan Repayment Act:

14 (1) amounts incurred as a result of  
15 participation in state loan-for-service programs or other state  
16 programs whose purpose states that service be provided in  
17 exchange for financial assistance;

18 (2) scholarships that have a service component  
19 or obligation;

20 (3) personal loans from friends or relatives;

21 (4) loans that exceed individual standard  
22 school expense levels; and

23 (5) loans that are eligible for another state  
24 or federal loan repayment program.

25 C. Award criteria shall provide that:

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1 (1) the applicant has satisfactorily completed  
2 at least one year of service with the children, youth and  
3 families department as a public service worker;

4 (2) the percentage of repayment directly  
5 relates to years of service completed as a public service  
6 worker;

7 (3) the highest priority shall be given to  
8 public service workers who work in geographic areas or division  
9 positions where vacancies are difficult to fill as determined  
10 by the secretary of children, youth and families;

11 (4) award amounts may be modified based on  
12 available funding or other special circumstances; and

13 (5) an award for each public service worker  
14 shall not exceed twenty-five thousand dollars (\$25,000) or the  
15 loan indebtedness of the worker, whichever is less.

16 D. Every loan repayment award shall be evidenced by  
17 a contract between the public service worker and the department  
18 working on behalf of the state. The contract shall provide for  
19 the payment by the state of a stated sum to the public service  
20 worker's federal government or commercial lender and shall  
21 state the obligations of the public service worker under the  
22 program as established by the department.

23 E. The contract between a public service worker and  
24 the department shall provide that, if the public service worker  
25 does not comply with the terms of the contract, the public

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1 service worker shall reimburse the department for all loan  
2 payments made on the public service worker's behalf, plus  
3 reasonable interest at a rate to be determined by the  
4 department, unless the department finds acceptable extenuating  
5 circumstances for why the public service worker cannot serve or  
6 comply with the terms of the contract.

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

17 G. The department, after consulting with the  
18 children, youth and families department, shall adopt rules to  
19 implement the provisions of the Children, Youth and Families  
20 Worker Loan Repayment Act. The rules:

21 (1) shall provide a procedure for determining  
22 the amount of a loan that will be repaid; and

23 (2) may provide for the disbursement of loan  
24 repayment awards to the lender in annual or other periodic  
25 installments."

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1           SECTION 6. A new section of Chapter 21 NMSA 1978 is  
2 enacted to read:

3           "[NEW MATERIAL] CONTRACTS--ENFORCEMENT--CANCELLATION.--

4           A. The general form of a contract required pursuant  
5 to the Children, Youth and Families Worker Loan Repayment Act  
6 shall be prepared and approved by the department's general  
7 counsel; and each contract shall be signed by the public  
8 service worker and the secretary of higher education or the  
9 secretary's authorized representative on behalf of the state.  
10 The department is vested with full and complete authority and  
11 power to sue in its own name for any balance due the state from  
12 a public service worker under a loan repayment contract.

13           B. The department may cancel a contract made  
14 between it and a public service worker pursuant to the  
15 Children, Youth and Families Worker Loan Repayment Act for any  
16 reasonable cause deemed sufficient by the department."

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

19           "[NEW MATERIAL] LOAN REPAYMENT FUND CREATED.--The  
20 "children, youth and families worker loan repayment fund" is  
21 created in the state treasury. The fund consists of  
22 appropriations, repayment of awards and interest received by  
23 the department, income from investment of the fund, gifts,  
24 grants and donations. The fund shall be administered by the  
25 department, and money in the fund is appropriated to the

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1 department to make loan repayment awards pursuant to the  
2 Children, Youth and Families Worker Loan Repayment Act. Money  
3 in the fund at the end of a fiscal year shall not revert to any  
4 other fund. All payments for loan repayment awards shall be  
5 made on warrants of the secretary of finance and administration  
6 on vouchers signed by the secretary of higher education or the  
7 secretary's authorized representative."

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

10 "[NEW MATERIAL] REPORTS.--The department shall make annual  
11 reports to the governor and the legislature prior to each  
12 regular session of its activities, the loan repayment awards  
13 granted and the title and job duties of each loan recipient.  
14 The report shall also include any contract cancellations and  
15 any enforcement actions the department has taken."

16 SECTION 9. EFFECTIVE DATE.--The effective date of the  
17 provisions of this act is July 1, 2015.