

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 275

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

Pursuant to House Rule 24-1, this document incorporates amendments that have been adopted prior to consideration of this measure by the House. It is a tool to show the amendments in context and is not to be used for the purpose of amendments.

AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING FOR FINANCIAL AID FOR STUDENTS WHO WANT TO BECOME TEACHERS; CHANGING THE TEACHER LOAN REPAYMENT ACT TO MORE SPECIFICALLY TARGET THE TYPES OF HIGH-NEED TEACHERS WHO QUALIFY FOR THE PROGRAM; ENACTING THE TEACHER PREPARATION AFFORDABILITY ACT; PROVIDING POWERS AND DUTIES; CREATING A FUND; MAKING APPROPRIATIONS.

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

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

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

SECTION 2. Section 21-22H-3 NMSA 1978 (being Laws 2013, Chapter 177, Section 3) is amended to read:

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

A. "department" means the higher education department;

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

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

~~(2) are located in geographic areas with a high rate of poverty; and]~~

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

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

(3) for teachers who are endorsed and teach science, technology, engineering, mathematics or career technical education courses; or

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(4) for teachers who are minorities; and  
(5) in a public school that is low-performing  
or serves a high percentage of economically disadvantaged  
students; and

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

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

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

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

B. Applicants shall be licensed New Mexico teachers [~~and shall be~~] who are bona fide citizens and residents of the United States and of New Mexico and have taught at least three years in New Mexico. High priority shall be given to applicants [~~shall declare their intent to practice as teachers~~] who are teaching in designated [~~high-risk~~] high-need teacher positions in the state.

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

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

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

A. Loan repayment award criteria shall provide that:

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

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

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

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

(4) award amounts shall not exceed \$1~~→four thousand dollars (\$4,000)~~~~←\$1~~ \$1~~→six thousand dollars (\$6,000)~~~~←\$1~~ per year and may be modified based upon funding

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availability or other special circumstances; and

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

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

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

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

(3) loans from a commercial lender;

(4) personal loans from friends or relatives;

and

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

C. Every loan repayment award shall be evidenced by a contract between the teacher and the department acting on behalf of the state. The contract shall provide for the payment by the state of a stated sum each year to the teacher's federal government lender not to exceed \$f1→~~four thousand dollars (\$4,000)~~←Sf1 Sf1→six thousand dollars (\$6,000)←Sf1 per year and shall state the obligations of the teacher under the program, including a minimum two-school-year period of service [~~in a designated high-risk teacher position~~], quarterly reporting requirements and other obligations established by the

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department.

~~[D. Teachers who serve a complete school year in a designated high-risk teacher position shall receive credit for one year for the purpose of calculating any loan repayment award amounts. The minimum loan repayment award amount to be paid for each school year completed shall be established by the department.~~

~~E. The contract between a teacher and the department shall provide that, if the teacher does not comply with the terms of the contract, the teacher shall reimburse the department for all loan payments made on the teacher's behalf, plus reasonable interest at a rate to be determined by the department, unless the department finds acceptable extenuating circumstances for why the teacher cannot serve or comply with the terms of the contract.] Execution of contracts shall occur prior to the start of a school year and the two-school-year period of service starts at the execution of the contract.~~

D. The department shall make annual payments pursuant to contracts only after satisfactory completion of a full year of teaching as certified by the public education department. The contract of any teacher who does not complete a full year of teaching shall be voided, and the teacher shall forfeit any right to that year's payment pursuant to the contract.

E. Each contract shall be for an initial two-year

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period and may be extended for three additional two-year contracts. The department shall not enter into any contracts with a single teacher for more than eight years of repayment.

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

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

(1) [~~shall provide~~] a procedure for determining the amount of a loan that will be repaid for each year of service [~~in a designated high-risk teacher position~~]; and

(2) [~~may provide~~] for the disbursement of loan repayment awards to a teacher's federal government lender in annual [~~or other periodic~~] installments after completion of each qualifying full year of teaching."

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

"21-22H-7. TEACHER LOAN REPAYMENT FUND CREATED--METHOD OF .214300.2

PAYMENT.--The "teacher loan repayment fund" is created in the state treasury. All money appropriated for the teacher loan repayment program shall be credited to the fund, and any repayment of awards and interest received by the department shall be credited to the fund. Income from the fund shall be credited to the fund, and balances in the fund shall not revert to any other fund. Money in the fund is ~~appropriated~~ subject to appropriation by the legislature to the department for making loan repayment awards pursuant to the Teacher Loan Repayment Act. All payments for loan repayment awards shall be made upon vouchers signed by the designated representative of the department and upon a warrant issued by the secretary of finance and administration."

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

"21-22H-9. REPORTS.--Prior to each regular session of the legislature, the department shall make annual reports to the governor and the legislature of the department's activities pertaining to the Teacher Loan Repayment Act; the loan repayment awards granted; the names and addresses of teachers who received loan repayment awards; the names and locations of the positions filled by those teachers; ~~and~~ the name of each teacher who received a loan repayment award who is not serving in a designated ~~high-risk~~ high-need teacher position, ~~the reason the teacher is not serving in a designated high-risk~~

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~~teacher position~~] the amount owed on [~~the~~] each teacher's loan and the amount paid on [~~the~~] each teacher's loan by [~~any~~] loan repayment awards; and the number of teachers whose contracts were voided because they did not complete a full year of teaching."

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

"[NEW MATERIAL] SHORT TITLE.--Sections 7 through 14 of this act may be cited as the "Teacher Preparation Affordability Act"."

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

"[NEW MATERIAL] DEFINITIONS.--As used in the Teacher Preparation Affordability Act:

- A. "department" means the higher education department;
- B. "eligible student" means a New Mexico resident who is enrolled or enrolling at least half-time in an accredited public education department-approved teacher preparation program at a New Mexico public post-secondary educational institution or tribal college at any time later than one hundred twenty days following high school graduation or the award of a high school equivalency credential and who is pursuing a teaching degree;
- C. "scholarship" means a teacher preparation affordability scholarship; and
- D. "tribal college" means a tribally, federally or congressionally chartered tribal post-secondary educational

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institution located in New Mexico that is accredited by the north central association of colleges and schools."

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

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

A. has not earned appropriate educational credentials to be licensed as a teacher by the public education department;

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

C. has complied with other rules promulgated by the department to carry out the provisions of the Teacher Preparation Affordability Act."

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

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

A. The department shall administer the Teacher Preparation Affordability Act and shall promulgate rules to carry out the provisions of that act.

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

C. The department shall allocate money to public

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post-secondary educational institutions and tribal colleges based on a student need formula calculated according to income reported on the free application for federal student aid, on the number of students enrolled in each public education department-approved teacher preparation program at a New Mexico public post-secondary educational institution or tribal college and on the percentage of the teacher preparation program's students classified as returning adults who are otherwise ineligible for state financial aid.

D. Public post-secondary educational institutions and tribal colleges shall make awards to qualifying eligible students based on financial need in an amount not to exceed Sfl→~~four thousand dollars (\$4,000)~~←Sfl Sfl→**six thousand dollars (\$6,000)**←Sfl per year for not more than five years as determined by rule of the department.

E. Public post-secondary educational institutions and tribal colleges shall make awards first to qualifying eligible students who:

- (1) are English language learners;
- (2) are minority students; or
- (3) have declared intent to teach in a high-need teacher position as defined by the public education department.

F. After scholarships have been awarded to eligible students pursuant to Subsection E of this section, a public post-secondary educational institution or tribal college shall award scholarships to other eligible students as determined by department rule.

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

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

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

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

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

A. the eligible student withdraws from the public post-secondary educational institution or tribal college or from the teacher preparation program or the eligible student fails to remain at least a half-time student;

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

C. the eligible student is in substantial

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noncompliance with the Teacher Preparation Affordability Act or the rules promulgated pursuant to that act."

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

"[NEW MATERIAL] FUND CREATED.--The "teacher preparation affordability scholarship fund" is created as a nonreverting fund in the state treasury that consists of income from investment of the fund; specified distributions; appropriations; and unspecified gifts, grants and donations to the fund. Money in the fund is subject to appropriation by the legislature to the department for scholarship awards as provided in the Teacher Preparation Affordability Act. Expenditures from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of higher education or the secretary's authorized representative."