

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 275

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

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:

"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:

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underscoring material = new
[bracketed material] = delete

1 "21-22H-3. DEFINITIONS.--As used in the Teacher Loan
2 Repayment Act:

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

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

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

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

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

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

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

21 (4) for teachers who are minorities; and

22 (5) in a public school that is low-performing
23 or serves a high percentage of economically disadvantaged
24 students; and

25 C. "loan" means a grant of money to defray the

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1 costs incidental to a teacher education, under a contract
 2 between the federal government and a teacher, requiring
 3 repayment of principal and interest."

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

6 "21-22H-4. DEPARTMENT POWERS AND DUTIES--TEACHER
 7 ELIGIBILITY--QUALIFICATIONS.--

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

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

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

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

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1 "21-22H-5. LOAN REPAYMENT AWARD CRITERIA--CONTRACT
2 TERMS--PAYMENT.--

3 A. Loan repayment award criteria shall provide
4 that:

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

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

16 [~~(2)~~] (3) preference in making awards shall be
17 to teachers who have graduated from a New Mexico public post-
18 secondary educational institution;

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

21 (4) award amounts shall not exceed four
22 thousand dollars (\$4,000) per year and may be modified based
23 upon funding availability or other special circumstances; and

24 (5) the total amount of awards made to any one
25 teacher shall not exceed the total teacher education

1 indebtedness ~~[of]~~ remaining for that teacher.

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

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

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

11 (3) loans from a commercial lender;

12 (4) personal loans from friends or relatives;

13 and

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

16 C. Every loan repayment award shall be evidenced by
17 a contract between the teacher and the department acting on
18 behalf of the state. The contract shall provide for the
19 payment by the state of a stated sum each year to the teacher's
20 federal government lender not to exceed four thousand dollars
21 (\$4,000) per year and shall state the obligations of the
22 teacher under the program, including a minimum two-school-year
23 period of service [~~in a designated high-risk teacher position~~],
24 quarterly reporting requirements and other obligations
25 established by the department.

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

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

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

24 E. Each contract shall be for an initial two-year
25 period and may be extended for three additional two-year

1 contracts. The department shall not enter into any contracts
 2 with a single teacher for more than eight years of repayment.

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

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

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

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

25 SECTION 5. Section 21-22H-7 NMSA 1978 (being Laws 2013,

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1 Chapter 177, Section 7) is amended to read:

2 "21-22H-7. TEACHER LOAN REPAYMENT FUND CREATED--METHOD OF
3 PAYMENT.--The "teacher loan repayment fund" is created in the
4 state treasury. All money appropriated for the teacher loan
5 repayment program shall be credited to the fund, and any
6 repayment of awards and interest received by the department
7 shall be credited to the fund. Income from the fund shall be
8 credited to the fund, and balances in the fund shall not revert
9 to any other fund. Money in the fund is ~~appropriated~~ subject
10 to appropriation by the legislature to the department for
11 making loan repayment awards pursuant to the Teacher Loan
12 Repayment Act. All payments for loan repayment awards shall be
13 made upon vouchers signed by the designated representative of
14 the department and upon a warrant issued by the secretary of
15 finance and administration."

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

18 "21-22H-9. REPORTS.--Prior to each regular session of the
19 legislature, the department shall make annual reports to the
20 governor and the legislature of the department's activities
21 pertaining to the Teacher Loan Repayment Act; the loan
22 repayment awards granted; the names and addresses of teachers
23 who received loan repayment awards; the names and locations of
24 the positions filled by those teachers; ~~and~~ the name of each
25 teacher who received a loan repayment award who is not serving

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1 in a designated [~~high-risk~~] high-need teacher position, [~~the~~
 2 ~~reason the teacher is not serving in a designated high-risk~~
 3 ~~teacher position~~] the amount owed on [~~the~~] each teacher's loan
 4 and the amount paid on [~~the~~] each teacher's loan by [~~any~~] loan
 5 repayment awards; and the number of teachers whose contracts
 6 were voided because they did not complete a full year of
 7 teaching."

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

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

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

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

17 A. "department" means the higher education
 18 department;

19 B. "eligible student" means a New Mexico resident
 20 who is enrolled or enrolling at least half-time in an
 21 accredited public education department-approved teacher
 22 preparation program at a New Mexico public post-secondary
 23 educational institution or tribal college at any time later
 24 than one hundred twenty days following high school graduation
 25 or the award of a high school equivalency credential and who is

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1 pursuing a teaching degree;

2 C. "scholarship" means a teacher preparation
3 affordability scholarship; and

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

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

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

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

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

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

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

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

24 A. The department shall administer the Teacher
25 Preparation Affordability Act and shall promulgate rules to

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1 carry out the provisions of that act.

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

5 C. The department shall allocate money to public
6 post-secondary educational institutions and tribal colleges
7 based on a student need formula calculated according to income
8 reported on the free application for federal student aid, on
9 the number of students enrolled in each public education
10 department-approved teacher preparation program at a New Mexico
11 public post-secondary educational institution or tribal college
12 and on the percentage of the teacher preparation program's
13 students classified as returning adults who are otherwise
14 ineligible for state financial aid.

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

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

- 23 (1) are English language learners;
- 24 (2) are minority students; or
- 25 (3) have declared intent to teach in a high-

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1 need teacher position as defined by the public education
2 department.

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

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

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

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

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

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

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

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

7 C. the eligible student is in substantial
8 noncompliance with the Teacher Preparation Affordability Act or
9 the rules promulgated pursuant to that act."

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

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