

1 HOUSE BILL 360

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

3 INTRODUCED BY

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10 AN ACT

11 RELATING TO HIGHER EDUCATION; ALLOWING ALL NEW MEXICO PUBLIC
12 SCHOOL TEACHERS TO QUALIFY FOR LOAN REPAYMENT OF UNDERGRADUATE
13 AND GRADUATE DEGREES IN EDUCATION; ALLOWING FOR PRIORITY FOR
14 DESIGNATED HIGH-NEED TEACHER POSITIONS IF PROGRAM FUNDS ARE
15 LIMITED.

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

18 SECTION 1. Section 21-22H-2 NMSA 1978 (being Laws 2013,
19 Chapter 177, Section 2) is amended to read:

20 "21-22H-2. PURPOSE.--The purpose of the Teacher Loan
21 Repayment Act is to increase the number of teachers in
22 [~~designated high-risk teacher positions in~~] public schools
23 through an educational loan repayment program. The act
24 provides for repayment of the principal and reasonable interest
25 accrued on loans obtained from the federal government for

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1 teacher education purposes."

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

4 "21-22H-3. DEFINITIONS.--As used in the Teacher Loan
5 Repayment Act:

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

8 B. "designated high-need teacher positions" means
9 teacher positions in specific public schools that are:

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

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

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

17 (4) for teachers who are minorities; and

18 (5) in a public school that is low-performing
19 or serves a high percentage of economically disadvantaged
20 students ~~[and]~~ as determined by the public education
21 department;

22 C. "loan" means a grant of money to defray the
23 ~~[costs incidental to]~~ tuition and fee costs of a teacher
24 education, including bachelor's, master's or doctoral degrees
25 in one or more education fields that lead to employment as a

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1 teacher in a New Mexico public school, under a contract between
2 the federal government and a teacher, requiring repayment of
3 principal and interest; and

4 D. "student loan servicer" means a nonprofit
5 organization that services student loans for the federal
6 government."

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

9 "21-22H-4. DEPARTMENT POWERS AND DUTIES--TEACHER
10 ELIGIBILITY--QUALIFICATIONS.--

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

15 B. Applicants shall be licensed New Mexico teachers
16 who are bona fide citizens and residents of the United States
17 and of New Mexico and have taught at least three years in New
18 Mexico. [~~High~~] If funds are limited, priority [~~shall~~] may be
19 given to applicants who are teaching in designated high-need
20 teacher positions in the state.

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

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

3 "21-22H-5. LOAN REPAYMENT AWARD CRITERIA--CONTRACT
4 TERMS--PAYMENT.--

5 A. Loan repayment award criteria shall provide
6 that:

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

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

18 (3) preference in making awards shall be to
19 teachers who have graduated from a New Mexico public post-
20 secondary educational institution;

21 (4) an award [~~amounts~~] shall not exceed six
22 thousand dollars (\$6,000) 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

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1 indebtedness 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 or student loan servicer not to
21 exceed six thousand dollars (\$6,000) per year and shall state
22 the obligations of the teacher under the program, including a
23 minimum two-school-year period of service, quarterly reporting
24 requirements and other obligations established by the
25 department. Execution of contracts shall occur prior to the

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1 start of a school year, and the two-school-year period of
2 service starts at the execution of the contract.

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

10 E. Each contract shall be for an initial two-year
11 period and may be extended for three additional two-year
12 contracts. The department shall not enter into any contracts
13 with a single teacher for more than eight years of repayment.

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

25 G. The department, after consulting with the public

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1 education department, shall adopt rules to implement the
2 provisions of the Teacher Loan Repayment Act. The rules shall
3 provide:

4 (1) a procedure for determining the amount of
5 a loan that will be repaid for each school year of service; and

6 (2) for the disbursement of loan repayment
7 awards to a teacher's federal government lender or student loan
8 servicer in annual installments after completion of each
9 qualifying ~~[full]~~ school year of teaching."

10 SECTION 5. EFFECTIVE DATE.--The effective date of the
11 provisions of this act is July 1, 2020.