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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**55th Legislature, 1st Session, 2021**

<b>Bill Number</b>	<u>SB 159</u>	<b>Sponsor</b>	<u>Gallegos</u>
<b>Tracking Number</b>	<u>.218951.1</u>	<b>Committee Referrals</b>	<u>SEC/SFC</u>
<b>Short Title</b>	<u>Teacher Loan Repayment</u>		
<b>Analyst</b>	<u>Canada</u>	<b>Original Date</b>	<u>2/2/2021</u>
		<b>Last Updated</b>	<u></u>

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## BILL SUMMARY

### Synopsis of Bill

Senate Bill 159 (SB159) amends the Teacher Loan Repayment Act. SB159 clarifies that a loan means a grant of money to defray the tuition and fee costs of a teacher education, including bachelor's, master's or doctoral degrees in one or more education fields that lead to employment as a teacher in a New Mexico public school. The bill expands the scope of the act beyond teachers in designated high-need teacher positions in the state to all teachers. The bill allows scholarships to be targeted to high-need teaching positions when funds are limited. SB159 also allows payments to loan service providers, whereas the current Teacher Loan Repayment allows payments only to a federal government lender.

## FISCAL IMPACT

The bill does not include an appropriation.

The LFC recommendation for the General Appropriation Act includes a \$5 million appropriation to the teacher loan repayment fund for use in FY22.

## SIGNIFICANT ISSUES

***Diversifying the Teacher Workforce.*** A growing teacher shortage and declining enrollment in teacher preparation programs led lawmakers during the 2019 legislative session to prioritize teacher recruitment and retention with a particular focus on teacher diversity. Sixty-two percent of students in New Mexico classrooms are students of color; however, only 34 percent of teachers in New Mexico are teachers of color. Research shows students have improved academic outcomes when their teacher looks like them. In 2019, the Legislature amended the Teacher Loan Repayment Act, Sections 21-22H-1 through 21-22H-9 NMSA 1978, by Laws 2019, Chapter 193, to build a more diverse teacher workforce.

Many strategies have been identified as successful recruitment tools to diversify the teacher workforce; among them, loan repayment and scholarship programs have proven to effectively

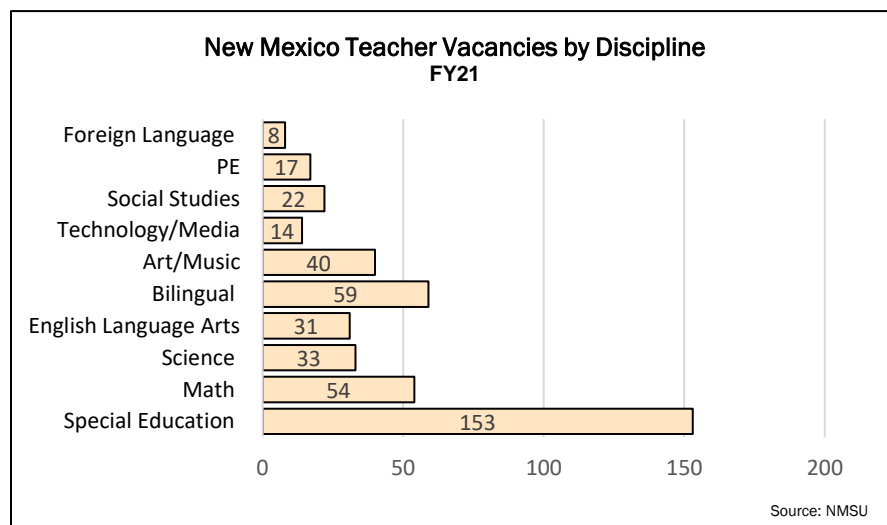
diversify the teacher pipeline. Other states implementing minority teacher recruitment tools based on repayment or scholarships are Florida, Kentucky, Minnesota, Missouri, and Tennessee.

SB159 changes the purpose of the Teacher Loan Repayment program to increasing the number of teachers in public schools, instead of targeting the efforts to increasing the number of teachers in “designated high-risk teacher positions.”

The Teacher Loan Repayment program currently in statute requires awards be prioritized to individuals in “designated high-need teacher positions,” which is defined as:

- Teachers endorsed and teaching bilingual education,
- Teachers endorsed and teaching early childhood education or special education,
- Teachers endorsed and teaching science, technology, engineering, mathematics or career technical education courses, and
- Teachers who are minorities who are serving in a public school that is low performing or serves a high percentage of economically disadvantaged students.

Although teacher vacancies decreased by 11 percent between FY20 and FY21, from 644 teacher vacancies to 571 teacher vacancies, vacancies still exist in the areas outlined in current Teacher Loan Repayment Act requirements. Additionally, statewide vacancy figures collected annually by New Mexico State University’s Research Evaluation and Policy Center may not demonstrate the entire scope of teacher vacancies statewide because other factors impact vacancies other than job postings, the metric currently used. Long-term substitutes, class load adjustments, combined grade levels in rural areas, and teachers teaching classes that they are not qualified to teach all reflect a shortage of teachers. The Covid-19 public health emergency’s impact on the teacher workforce and staffing is still undetermined.



Although these individuals must be prioritized currently in the financial aid program, subsection B of Section 21-22H-4, the Teacher Loan Repayment teacher eligibility provisions only requires that eligible teachers are licensed in New Mexico, bona fide citizens and residents of the United States, and residents of New Mexico with at least three years teaching in the state. SB159 changes this requirement to give the Public Education Department (PED) and the Higher Education Department (HED) the option to prioritize applicants who are teaching in designated high-need teacher positions in the state when funds are limited.

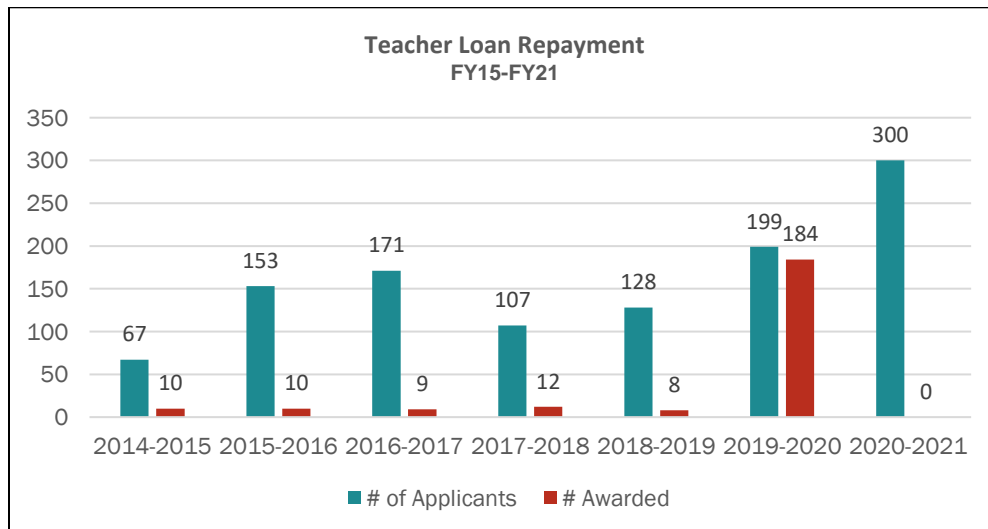
**Costs Covered by Repayment Program.** Currently, the Teacher Loan Repayment Act funds may be used to cover costs related to a teacher education and prohibits funds to be used for (1) amounts incurred as a result of participation in a state loan-for-service program, (2) scholarships that have a service 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. SB159 makes changes to the Teacher Loan Repayment Act to clarify that loans cover tuition and fee costs of a teacher education, including bachelor’s, master’s, or doctoral degrees in one or more education fields that lead to employment as a teacher in a New Mexico public school. Current law requires payments through this program be made to a teacher’s federal government lender; SB159 would allow payments to also be made to a student loan servicer, a nonprofit organization that services student loans for the federal government.

**ADMINISTRATIVE IMPLICATIONS**

SB159 clarifies that PED must determine if teachers are teaching in a public school that is low-performing or serving a high percentage of economically disadvantaged students for the purposes of prioritizing applicants in “designated high-need teacher positions,” when limited funding is available for awards.

**OTHER SIGNIFICANT ISSUES**

**Student Debt.** The debt-to-earnings ratio of students who go into teaching often results in challenges for colleges of education to recruit students into teaching. College students who can foresee making an annual salary of \$41 thousand are often dissuaded from pursuing a teaching degree. To reduce costs for prospective teachers and retain them in the teacher workforce, the Legislature enacted the Teacher Loan Repayment Act. However, since the creation of the program in 2013, the program has not received significant financial support. For example, in FY18, \$60 thousand was appropriated for the teacher loan repayment program.



There is high demand for loan repayment awards; HED reports over 100 teachers have applied annually with few teachers supported since the program creation. According to HED, the program supports 340 loan repayment program participants working in over 160 schools throughout New Mexico. Teachers who applied for repayment assistance within New Mexico public schools have an average debt of \$40,655. In 2019, the Legislature appropriated \$22 million to HED for the

administration and implementation of scholarship programs they are responsible for. It is unclear how much of the funds went to the teacher loan repayment program, but HED was able to support a significant number of applicants during the 2019-2020 school year. Out of the 199 applicants who applied, 184 awards were granted. According to HED, the department budgeted \$2 million for FY21 awards.

Since the creation of the program, it has been difficult to determine whether teachers who participated in these programs stayed in the profession longer than obligated because HED does not track participants after they fulfill their contract or commitment.

## **RELATED BILLS**

Related to SB151, which creates the Instructional Support Provider Loan Repayment Act meant to increase the number of instructional support providers in public schools.

## **SOURCES OF INFORMATION**

- LESC Files
- HED

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