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AN ACT

RELATING TO ECONOMIC DEVELOPMENT; AMENDING THE CHILD CARE FACILITY REVOLVING LOAN FUND; ALLOWING THE EARLY CHILDHOOD EDUCATION AND CARE DEPARTMENT AND THE NEW MEXICO FINANCE AUTHORITY TO CONTRACT FOR SERVICES WITH PROVIDERS OR EMPLOYERS SEEKING TO CREATE OR EXPAND CHILD CARE PROGRAMS FOR AN EMPLOYER'S EMPLOYEES; PROVIDING CONDITIONS; EXPANDING USES OF THE LOANS.

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

SECTION 1. Section 24-24-3 NMSA 1978 (being Laws 2003, Chapter 316, Section 3, as amended) is amended to read:

"24-24-3. DEFINITIONS.--As used in the Child Care Facility Loan Act:

A. "authority" means the New Mexico finance authority;

B. "department" means the early childhood education and care department;

C. "facility" means a child care facility operated by a provider, including both family home-based and center-based programs, licensed by the department to provide care to infants, toddlers and children;

D. "fund" means the child care facility revolving loan fund;

E. "operating capital" means funds needed to meet

1 short-term obligations, such as accounts payable, wages,
2 debt servicing, lease and income tax payments; and

3 F. "provider" means a person, entity or employer
4 licensed by the department to provide child care to infants,
5 toddlers and children pursuant to Section 9-2A-8 NMSA 1978."

6 SECTION 2. Section 24-24-4 NMSA 1978 (being Laws 2003,
7 Chapter 316, Section 4, as amended) is amended to read:

8 "24-24-4. FUND CREATED--ADMINISTRATION.--

9 A. The "child care facility revolving loan fund"
10 is created in the authority to provide low-interest,
11 long-term loans to providers to make health and safety
12 improvements in their facilities, expand their facilities,
13 create new facilities and for operating capital. The fund
14 shall consist of appropriations, gifts, grants and donations
15 to the fund, which shall be invested as provided in the
16 New Mexico Finance Authority Act. Money in the fund shall
17 not revert. Administrative costs of the authority may be
18 paid from the fund.

19 B. Money in the fund shall be used to make loans
20 to providers or to contract for services with providers that
21 demonstrate the need for operating capital or to make health
22 and safety improvements, including space expansion, in order
23 to maintain an adequate and appropriate environment for their
24 clients; to providers seeking to expand child care
25 facilities; and to providers seeking to create new child care

1 facilities, including for employers to create child care
2 facilities for the employer's employees. Loans from the fund
3 are to be made at an interest rate greater than zero percent
4 for a term that does not exceed the useful life of the
5 project being financed.

6 C. The department and the authority may contract
7 for services with an eligible provider to provide child care
8 for child care assistance eligible families as reasonably
9 adequate legal consideration for money from the fund;
10 provided that within a period of time prescribed in the
11 contract of disbursement of the loan, the provider:

12 (1) is located in a designated child care
13 desert;

14 (2) provides care during non-traditional
15 hours;

16 (3) demonstrates that at least fifty percent
17 of the children that the provider or employer serves are
18 recipients of a child care assistance program expanded or
19 created by the provider;

20 (4) demonstrates that the number of children
21 served by the provider increased by at least ten percent; and

22 (5) satisfies other qualifications as
23 determined by the department and the authority.

24 D. No more than twenty percent of the fund may be
25 loaned for a single provider in a single project. The

1 department shall give priority for loans to providers that
2 serve proportionately high numbers of state-subsidized
3 clients and low-income families that are located in
4 communities with high poverty rates and that provide
5 nontraditional-hour child care.

6 E. The department, in conjunction with the
7 authority, shall adopt rules to administer and implement
8 the Child Care Facility Loan Act, including providing
9 for eligibility requirements and for the selection of
10 applicants based on department-defined priority. The rules
11 shall become effective when filed in accordance with the State
12 Rules Act."

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