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FISCAL IMPACT REPORT

SPONSOR:	Stewart	DATE TYPED:	01/21/00	HB	32
SHORT TITLE:	Teacher Loan Repayment Act			SB	
				ANALYST:	Pacheco-Perez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 500.0			Rec	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB104

SUMMARY

Synopsis of Bill

This bill creates the Teacher Loan Repayment Act. The purpose of the Act is to increase the number of elementary and secondary teaching professionals in under served areas of the state. Applicants shall be licensed or certified to practice in New Mexico as elementary or secondary teachers; shall be bona fide citizens and residents of the United States; and shall declare their intent to serve in designated shortage areas of the state. The CHE is charged with adopting and promulgating rules and administering the Act including selecting recipients. On behalf of the state, the CHE shall enter into contractual agreements with recipients to establish the repayment of loans including principal and interest. The loan may be forgiven if the recipient teaches in the state for as many years as she/he received the loan in a designated shortage area. If the recipient fails to complete the teacher education program, the loan becomes due at which time the CHE may work with the student on terms of repayment. If the recipient does not serve in a shortage area upon completion of their education, the CHE may assess a penalty of up to three times the principal due plus interest. Prior to each regular session, the CHE shall make annual reports to the Governor and the Legislature on progress of the program to include awards granted; information on award recipients; information on shortage area teacher assignments; and information on recipients failing to meet the requirements of the program.

Significant Issues

New Mexico is beginning to experience a shortage of teachers expected to increase over the next five years. The program proposed in this bill may serve to be a successful recruitment tool to alleviate this shortage.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY01 shall not revert to the general fund.

DUPLICATION

This bill duplicates Senate Bill 104.

APP/njw