

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 53

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

Sheryl Williams Stapleton

AN ACT

RELATING TO EDUCATION; ENACTING THE TEACHER LOAN REPAYMENT ACT;
CREATING THE TEACHER LOAN REPAYMENT FUND; MAKING AN
APPROPRIATION.

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

SECTION 1. A new section of Chapter 21 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] SHORT TITLE.--This act may be cited as the
"Teacher Loan Repayment Act"."

SECTION 2. A new section of Chapter 21 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] PURPOSE.--The purpose of the Teacher Loan
Repayment Act is to increase the number of teachers in
designated high-risk teacher positions in public schools
through an educational loan repayment program. The act

underscored material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

1 provides for repayment of the principal and reasonable interest
2 accrued on loans obtained from the federal government for
3 teacher education purposes."

4 SECTION 3. A new section of Chapter 21 NMSA 1978 is
5 enacted to read:

6 "[NEW MATERIAL] DEFINITIONS.--As used in the Teacher Loan
7 Repayment Act:

8 A. "department" means the higher education
9 department;

10 B. "designated high-risk teacher positions" means
11 teacher positions in specific public schools that:

12 (1) have been designated by the public
13 education department as schools with a high percentage of
14 students who are not meeting acceptable academic proficiency
15 levels; and

16 (2) are located in geographic areas with a
17 high rate of poverty; and

18 C. "loan" means a grant of money to defray the
19 costs incidental to a teacher education, under a contract
20 between the federal government and a teacher, requiring
21 repayment of principal and interest."

22 SECTION 4. A new section of Chapter 21 NMSA 1978 is
23 enacted to read:

24 "[NEW MATERIAL] DEPARTMENT POWERS AND DUTIES--TEACHER
25 ELIGIBILITY--QUALIFICATIONS.--

.191052.1

underscored material = new
[bracketed material] = delete

1 A. The department may grant a loan repayment award
2 to repay loans obtained for the teacher educational expenses of
3 a teacher upon such terms and conditions as may be imposed by
4 rules of the department.

5 B. Applicants shall be licensed New Mexico teachers
6 and shall be bona fide citizens and residents of the United
7 States and of New Mexico. Applicants shall declare their
8 intent to practice as teachers in designated high-risk teacher
9 positions in the state.

10 C. The department and the public education
11 department shall jointly make a full and careful investigation
12 of the ability and qualifications of each applicant and
13 determine the fitness of a teacher to participate in the
14 teacher loan repayment program."

15 SECTION 5. A new section of Chapter 21 NMSA 1978 is
16 enacted to read:

17 "[NEW MATERIAL] LOAN REPAYMENT AWARD CRITERIA--CONTRACT
18 TERMS--PAYMENT.--

19 A. Loan repayment award criteria shall provide
20 that:

21 (1) award amounts shall be dependent upon a
22 specific public school's need for the designated high-risk
23 teacher position, as determined by the public education
24 department, the teacher's total teacher education indebtedness
25 and available balances in the teacher loan repayment fund;

.191052.1

underscoring material = new
~~[bracketed material] = delete~~

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

4 (3) awards shall be made to eligible teachers
5 who fill a designated high-risk teacher position;

6 (4) award amounts may be modified based upon
7 funding availability or other special circumstances; and

8 (5) the total amount of awards made to any one
9 teacher shall not exceed the total teacher education
10 indebtedness of that teacher.

11 B. The following teacher education debts are not
12 eligible for repayment pursuant to the Teacher Loan Repayment
13 Act:

14 (1) amounts incurred as a result of
15 participation in state loan-for-service programs or other state
16 programs whose purpose states that service be provided in
17 exchange for financial assistance;

18 (2) scholarships that have a service component
19 or obligation;

20 (3) loans from a commercial lender;

21 (4) personal loans from friends or relatives;

22 and

23 (5) loans that exceed individual standard
24 school expense levels.

25 C. Every loan repayment award shall be evidenced by

.191052.1

underscoring material = new
~~[bracketed material] = delete~~

1 a contract between the teacher and the department acting on
2 behalf of the state. The contract shall provide for the
3 payment by the state of a stated sum to the teacher's federal
4 government lender and shall state the obligations of the
5 teacher under the program, including a minimum two-school-year
6 period of service in a designated high-risk teacher position,
7 quarterly reporting requirements and other obligations
8 established by the department.

9 D. Teachers who serve a complete school year in a
10 designated high-risk teacher position shall receive credit for
11 one year for the purpose of calculating any loan repayment
12 award amounts. The minimum loan repayment award amount to be
13 paid for each school year completed shall be established by the
14 department.

15 E. The contract between a teacher and the
16 department shall provide that, if the teacher does not comply
17 with the terms of the contract, the teacher shall reimburse the
18 department for all loan payments made on the teacher's behalf,
19 plus reasonable interest at a rate to be determined by the
20 department, unless the department finds acceptable extenuating
21 circumstances for why the teacher cannot serve or comply with
22 the terms of the contract.

23 F. Loan repayment awards shall be in the form of
24 payments from the teacher loan repayment fund directly to the
25 federal government lender of a teacher who has received the

.191052.1

underscored material = new
[bracketed material] = delete

1 award and shall be considered a payment on behalf of the
2 teacher pursuant to the contract between the department and the
3 teacher. A loan repayment award shall not obligate the state
4 or the department to the teacher's federal government lender
5 for any other payment and shall not be considered to create any
6 privity of contract between the state or the department and the
7 lender.

8 G. The department, after consulting with the public
9 education department, shall adopt rules to implement the
10 provisions of the Teacher Loan Repayment Act. The rules:

11 (1) shall provide a procedure for determining
12 the amount of a loan that will be repaid for each year of
13 service in a designated high-risk teacher position; and

14 (2) may provide for the disbursement of loan
15 repayment awards to a teacher's federal government lender in
16 annual or other periodic installments."

17 SECTION 6. A new section of Chapter 21 NMSA 1978 is
18 enacted to read:

19 "[NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The general form
20 of a contract required pursuant to the Teacher Loan Repayment
21 Act shall be prepared and approved by the attorney general, and
22 each contract shall be signed by the teacher and the designated
23 representative of the department on behalf of the state. The
24 department is vested with full and complete authority and power
25 to sue in its own name for any balance due the state from a

.191052.1

underscored material = new
[bracketed material] = delete

1 teacher under any such contract."

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

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

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

19 "[NEW MATERIAL] CANCELLATION.--The department may cancel
20 any contract made between it and a teacher pursuant to the
21 Teacher Loan Repayment Act for any reasonable cause deemed
22 sufficient by the department."

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

25 "[NEW MATERIAL] REPORTS.--Prior to each regular session of

.191052.1

underscoring material = new
~~[bracketed material] = delete~~

1 the legislature, the department shall make annual reports to
2 the governor and the legislature of the department's activities
3 pertaining to the Teacher Loan Repayment Act; the loan
4 repayment awards granted; the names and addresses of teachers
5 who received loan repayment awards; the names and locations of
6 the positions filled by those teachers; and the name of each
7 teacher who received a loan repayment award who is not serving
8 in a designated high-risk teacher position, the reason the
9 teacher is not serving in a designated high-risk teacher
10 position, the amount owed on the teacher's loan and the amount
11 paid on the teacher's loan by any loan repayment awards."