

AN ACT

RELATING TO PUBLIC SERVICE; ENACTING THE CHILDREN, YOUTH AND FAMILIES WORKER LOAN REPAYMENT ACT; PROVIDING POWERS AND DUTIES; GRANTING LOAN REPAYMENT AWARDS TO PUBLIC SERVICE WORKERS; PROVIDING FOR CONTRACTS, CONTRACT CANCELLATIONS AND CONTRACT ENFORCEMENT; CREATING A FUND.

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:

"SHORT TITLE.--This act may be cited as the "Children, Youth and Families Worker Loan Repayment Act"."

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

"PURPOSE.--The purpose of the Children, Youth and Families Worker Loan Repayment Act is to increase the number of public service workers employed with the children, youth and families department who are direct service providers in the protective services division or juvenile justice division of the children, youth and families department. That act provides for repayment of the principal and reasonable interest accrued on higher education loans obtained from the federal government or a commercial lender."

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

"DEFINITIONS.--As used in the Children, Youth and Families Worker Loan Repayment Act:

A. "applicant" means a person applying for an award;

B. "award" means the grant of money to repay loans;

C. "critical field" means social work or other academic field of study that leads to a bachelor's or master's degree and that the children, youth and families department has determined to be critical to the work of the protective services division or juvenile justice division of the children, youth and families department;

D. "department" means the higher education department;

E. "fund" means the children, youth and families worker loan repayment fund;

F. "loan" means a grant of money under contract between the student and the federal government or a commercial lender to defray the costs incidental to an undergraduate or master's level education in a critical field and that requires either repayment of principal and interest or repayment in services;

G. "program" means the children, youth and families public service worker loan repayment program, which provides money to repay student loans in a critical field; and

H. "public service worker" means an employee of the children, youth and families department with a completed bachelor's or master's degree in a critical field who works directly with children and families in either the protective services division or juvenile justice division of the children, youth and families department. The children, youth and families department shall provide an annual list to the department of job classifications that qualify as "public service workers" for the purposes of the Children, Youth and Families Worker Loan Repayment Act."

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

"POWERS AND DUTIES.--

A. The department may:

(1) grant an award to repay loans obtained for a public service worker upon such terms and conditions as may be imposed by rule of the department; and

(2) delegate to other agencies or contract for the performance of services required by the program.

B. An applicant must be a public service worker before applying for the program."

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

"AWARDS--CRITERIA--CONTRACT TERMS.--

A. Prior to receiving an award, the public service

worker shall file an application with the department that meets the criteria established by rule of the department.

B. The following debts are not eligible for repayment pursuant to the Children, Youth and Families Worker Loan Repayment Act:

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

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

(3) personal loans from friends or relatives;

(4) loans that exceed individual standard school expense levels; and

(5) loans that are eligible for another state or federal loan repayment program.

C. Award criteria shall provide that:

(1) the applicant has satisfactorily completed at least one year of service with the children, youth and families department as a public service worker;

(2) the percentage of repayment directly relates to years of service completed as a public service worker;

(3) the highest priority shall be given to

public service workers who work in geographic areas or division positions where vacancies are difficult to fill as determined by the secretary of children, youth and families;

(4) award amounts may be modified based on available funding or other special circumstances; and

(5) an award for each public service worker shall not exceed twenty-five thousand dollars (\$25,000) or the loan indebtedness of the worker, whichever is less.

D. Every loan repayment award shall be evidenced by a contract between the public service worker and the department working on behalf of the state. The contract shall provide for the payment by the state of a stated sum to the public service worker's federal government or commercial lender and shall state the obligations of the public service worker under the program as established by the department.

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

F. Loan repayment awards shall be in the form of

payments from the fund directly to the federal government or commercial lender of a public service worker who has received the award and shall be considered a payment on behalf of the public service worker pursuant to the contract between the department and the public service worker. A loan repayment award shall not obligate the state or the department to a public service worker's lender for any other payment and shall not be considered to create any privity of contract between the state or the department and the lender.

G. The department, after consulting with the children, youth and families department, shall adopt rules to implement the provisions of the Children, Youth and Families Worker Loan Repayment Act. The rules:

(1) shall provide a procedure for determining the amount of a loan that will be repaid; and

(2) may provide for the disbursement of loan repayment awards to the lender in annual or other periodic installments."

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

"CONTRACTS--ENFORCEMENT--CANCELLATION.--

A. The general form of a contract required pursuant to the Children, Youth and Families Worker Loan Repayment Act shall be prepared and approved by the department's general counsel; and each contract shall be

signed by the public service worker and the secretary of higher education or the secretary's authorized representative on behalf of the state. The department is vested with full and complete authority and power to sue in its own name for any balance due the state from a public service worker under a loan repayment contract.

B. The department may cancel a contract made between it and a public service worker pursuant to the Children, Youth and Families Worker Loan Repayment Act for any reasonable cause deemed sufficient by the department."

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

"LOAN REPAYMENT FUND CREATED.--The "children, youth and families worker loan repayment fund" is created in the state treasury. The fund consists of appropriations, repayment of awards and interest received by the department, income from investment of the fund, gifts, grants and donations. The fund shall be administered by the department, and money in the fund is appropriated to the department to make loan repayment awards pursuant to the Children, Youth and Families Worker Loan Repayment Act. Money in the fund at the end of a fiscal year shall not revert to any other fund. All payments for loan repayment awards shall be made on warrants of the secretary of finance and administration on vouchers signed by the secretary of higher education or the secretary's

authorized representative."

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

"REPORTS.--The department shall make annual reports to the governor and the legislature prior to each regular session of its activities, the loan repayment awards granted and the title and job duties of each loan recipient. The report shall also include any contract cancellations and any enforcement actions the department has taken."

SECTION 9. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2015. _____