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FISCAL IMPACT REPORT

ORIGINAL DATE 1-24-2008

SPONSOR McSorley LAST UPDATED _____ HB _____

SHORT TITLE Public Service Law Loan Repayment Changes SB 122

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$0.0		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 122 carries no appropriation or fiscal impact. If enacted, Senate Bill 122 will shield applicants' military income from an eligibility determination for participation in the Public Service Law Loan Repayment program. Additionally, the legislation includes an additional provision allowing appeal to the Secretary of the Higher Education department upon an (adverse) award determination.

FISCAL IMPLICATIONS

Senate Bill 122 would amend current statute 21-22F NMSA 1978. The amendment proposes to prohibit consideration of income from military service in awards under the public service law loan repayment act and to provide for an appeal of an award determination. Impact on the general fund is indeterminate.

SIGNIFICANT ISSUES

Eligible applicants' salaries from eligible organizations cannot exceed \$45,000. Eligible applicants must have applied to all available legal educational loan repayment programs offered by the applicant's law school. Annual awards cannot exceed \$7,200 and must be reduced by the sum of any other loan repayment awards the applicant is receiving.

The Public Service Loan Repayment Program (LRAP) was enacted in the 2006 legislative session, making FY07 the first year of operations.

Currently, there are 41 LRAP participants in the program, as follows:

District Attorney	17
Public Defender	12
501 C3	12

TECHNICAL ISSUES

The department response states that the proposed amendment would require the New Mexico Higher Education Department (NMHED) to change the New Mexico Administrative Code, however it is unknown whether a section of NMAC on this loan repayment program has been created at this point.¹

PD/nt

¹ Does not exist in Rules and Regulations current for filings with the New Mexico State Records Center through New Mexico Register Vol. XVIII, No. 20, October 31, 2007.