

1 SENATE BILL 614

2 **54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019**

3 INTRODUCED BY

4 Linda M. Lopez

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10 AN ACT

11 RELATING TO HIGHER EDUCATION; ENACTING THE MULTICULTURAL  
12 EDUCATOR LOAN FOR SERVICE ACT; PROVIDING POWERS AND DUTIES;  
13 REQUIRING ENFORCEABLE CONTRACTS; REQUIRING SERVICE FOR THE  
14 REPAYMENT OF A LOAN; PROVIDING PENALTIES IF CONTRACT TERMS ARE  
15 NOT FULFILLED; CREATING A FUND; MAKING AN APPROPRIATION.

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

18 SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be  
19 cited as the "Multicultural Educator Loan for Service Act".

20 SECTION 2. [NEW MATERIAL] PURPOSE.--The purpose of the  
21 Multicultural Educator Loan for Service Act is to proactively  
22 address New Mexico's critical multicultural educator shortages  
23 by providing students with the financial means to complete or  
24 enhance their post-secondary teaching preparation in teaching  
25 multicultural education.

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1           SECTION 3.   [NEW MATERIAL] DEFINITIONS.--As used in the  
2 Multicultural Educator Loan for Service Act:

3           A.   "department" means the higher education  
4 department;

5           B.   "loan" means a payment of money under contract  
6 between the department and a student that defrays the costs  
7 incidental to a teacher preparation program offered in a  
8 regionally accredited post-secondary educational institution in  
9 New Mexico and that requires repayment in services;

10          C.   "multicultural educator" means a licensed  
11 bilingual, multicultural, Indian or Hispanic education teacher;

12          D.   "student" means a United States citizen and  
13 resident of New Mexico who is enrolled in or accepted by an  
14 undergraduate or graduate teacher preparation program at a  
15 regionally accredited post-secondary educational institution in  
16 New Mexico; and

17          E.   "teacher preparation program" means a program  
18 that has been formally approved as meeting the requirements of  
19 the public education department for multicultural educators and  
20 that leads to initial licensure or to additional licensure  
21 endorsements.

22           SECTION 4.   [NEW MATERIAL] TEACHER STUDENT LOANS  
23 AUTHORIZED--QUALIFICATIONS.--

24           A.   The department may grant a loan to a student  
25 deemed qualified by the department upon such terms and

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1 conditions as may be imposed by rule of the department.

2 B. The department shall only receive, pass upon and  
3 allow or disallow an application for a loan made by a student  
4 who declares the intent to serve as a public school  
5 multicultural educator in a designated multicultural educator  
6 shortage area of New Mexico. Multicultural educator shortage  
7 areas may be either geographic or discipline specific.

8 C. The department shall make a full and careful  
9 investigation of the ability and qualifications of each  
10 applicant to become a recipient of a loan. The department  
11 shall give preference to qualified applicants who demonstrate  
12 financial need.

13 D. The department and the public education  
14 department shall arrange for loan recipients to receive  
15 assistance in locating employment with public schools in New  
16 Mexico.

17 SECTION 5. [NEW MATERIAL] DELEGATION OF DUTIES TO OTHER  
18 STATE AGENCIES.--The department may arrange with other agencies  
19 for the performance of services required by the provisions of  
20 Section 4 of the Multicultural Educator Loan for Service Act.

21 SECTION 6. [NEW MATERIAL] LOANS--CONTRACT TERMS--  
22 REPAYMENT.--

23 A. Each applicant who is approved for a loan by the  
24 department may be granted a loan in such amounts and for such  
25 periods as the department determines. The loan shall not

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1 exceed the necessary expenses incurred while attending a  
2 teacher preparation program.

3 B. A loan shall bear interest at the rate of:

4 (1) eighteen percent per year if the loan  
5 recipient completes a teacher preparation program and no  
6 portion of the principal and interest is forgiven pursuant to  
7 Subsection F of this section; or

8 (2) seven percent per year in all other cases.

9 C. Loans made pursuant to the Multicultural  
10 Educator Loan for Service Act shall not accrue interest until  
11 the department:

12 (1) determines the loan recipient has  
13 terminated the recipient's teacher preparation program prior to  
14 completion;

15 (2) determines the loan recipient has failed  
16 to fulfill the loan recipient's obligation to practice as a  
17 licensed teacher in New Mexico; or

18 (3) cancels a contract between a loan  
19 recipient and the department pursuant to Section 9 of the  
20 Multicultural Educator Loan for Service Act.

21 D. The loan shall be evidenced by a contract  
22 between the loan recipient and the department acting on behalf  
23 of the state. The contract shall provide for the payment by  
24 the state of a stated sum covering the costs of a teacher  
25 preparation program and shall be conditioned on the repayment

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1 of the loan to the state over a period established by the  
2 department after the completion of the teacher preparation  
3 program and any postgraduate study or internship required to  
4 complete the loan recipient's education.

5 E. A loan made to a recipient who fails to complete  
6 a teacher preparation program shall become due immediately upon  
7 termination of the teacher preparation program. The  
8 department, in consultation with the loan recipient, shall  
9 establish terms of repayment, alternate service or cancellation  
10 terms.

11 F. The contract shall provide that the department  
12 shall forgive a portion of the loan for each year that the loan  
13 recipient practices as a licensed teacher in New Mexico. The  
14 loan shall be forgiven as follows:

15 (1) loan terms of one year shall require one  
16 year of practice. Upon completion of service, one hundred  
17 percent of the loan shall be forgiven;

18 (2) loan terms of two years shall require one  
19 year of practice for each year of the loan. Upon completion of  
20 the first year of service, fifty percent of the loan shall be  
21 forgiven. Upon completion of the second year of service, the  
22 remainder of the loan shall be forgiven; and

23 (3) for loan terms of three years or more,  
24 forty percent of the loan shall be forgiven upon completion of  
25 the first year of service, thirty percent of the loan shall be

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1 forgiven upon completion of the second year of service and the  
2 remainder of the loan shall be forgiven upon completion of the  
3 third year of service.

4 G. A loan recipient shall serve a complete contract  
5 year in order to receive credit for that year. The minimum  
6 credit for a year shall be established by the department.

7 H. If a loan recipient completes a teacher  
8 preparation program and does not serve in a New Mexico public  
9 school, the department shall assess a penalty of up to three  
10 times the principal due, plus eighteen percent interest, unless  
11 the department finds acceptable extenuating circumstances that  
12 prevent the loan recipient from serving. If the department  
13 does not find acceptable extenuating circumstances for the loan  
14 recipient's failure to carry out the recipient's declared  
15 intent to serve, the department shall require immediate  
16 repayment of the loan plus the amount of any interest and  
17 penalty assessed pursuant to this section.

18 I. The department shall adopt and promulgate rules  
19 to implement the provisions of this section. The rules may  
20 provide for the repayment of loans in annual or other periodic  
21 installments.

22 SECTION 7. [NEW MATERIAL] CONTRACTS--LEGAL ASSISTANCE--  
23 ENFORCEMENT.--The general form of the contract shall be  
24 prepared and approved by the attorney general and signed by the  
25 loan recipient and a designee of the department on behalf of

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1 the state. The department is vested with full and complete  
2 authority and power to sue in its own name for any balance due  
3 the state from a loan recipient on a contract.

4 SECTION 8. [NEW MATERIAL] FUND CREATED--METHOD OF  
5 PAYMENT.--The "multicultural educator loan for service fund" is  
6 created in the state treasury. Money appropriated for loans  
7 pursuant to the Multicultural Educator Loan for Service Act;  
8 earnings from investment of the fund; gifts, grants and  
9 donations to the fund; and all payments of principal and  
10 interest on loans made pursuant to that act shall be deposited  
11 in the fund. Money in the fund shall not revert at the end of  
12 a fiscal year. The fund shall be administered by the  
13 department. All payments of money for loans shall be made on  
14 warrants drawn by the secretary of finance and administration  
15 pursuant to vouchers signed by the department's designated  
16 representative.

17 SECTION 9. [NEW MATERIAL] CANCELLATION.--The department  
18 may cancel a contract between it and a loan recipient for any  
19 reasonable cause deemed sufficient by the department.

20 SECTION 10. [NEW MATERIAL] REPORTS.--The department shall  
21 report annually by January 1 to the governor and the  
22 legislature on its activities pursuant to the Multicultural  
23 Educator Loan for Service Act, including the loans granted, the  
24 names and addresses of loan recipients, the teacher preparation  
25 programs loan recipients are attending and the names and

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1 locations of practice of loan recipients who have completed  
2 their education and are teaching.

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