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SENATE BILL 630

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

INTRODUCED BY

Linda M. Lopez

AN ACT

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

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Special Education Loan for Service Act".

SECTION 2. [NEW MATERIAL] PURPOSE.--The purpose of the
Special Education Loan for Service Act is to proactively
address New Mexico's critical special education teacher and
instructional support provider shortages by providing students
with the financial means to complete or enhance their post-
secondary teaching preparation or special education

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1 instructional support professional degree in teaching or
2 supporting special education.

3 SECTION 3. [NEW MATERIAL] DEFINITIONS.--As used in the
4 Special Education Loan for Service Act:

5 A. "department" means the higher education
6 department;

7 B. "loan" means a payment of money under contract
8 between the department and a student that defrays the costs
9 incidental to a teacher preparation program or pertinent
10 instructional support provider professional degree offered in a
11 regionally accredited post-secondary educational institution in
12 New Mexico and that requires repayment in services;

13 C. "special education instructional support
14 provider" means a dually licensed special education specialist,
15 including diagnostitian, school counselor, social worker,
16 psychologist, speech-language pathologist, physical therapist,
17 occupational therapist, recreational therapist or other
18 professional with qualifications applicable to working with
19 special education public school students and leading to dual
20 licensure as a professional and a special education
21 instructional support provider;

22 D. "student" means a United States citizen and
23 resident of New Mexico who is enrolled in or accepted by an
24 undergraduate or graduate teacher preparation program or
25 undergraduate or graduate special education instructional

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1 support professional degree program at a regionally accredited
2 post-secondary educational institution in New Mexico; and

3 E. "teacher preparation program" means a program
4 that has been formally approved as meeting the requirements of
5 the public education department for special education teachers
6 and that leads to initial licensure or to additional licensure
7 endorsements.

8 SECTION 4. [NEW MATERIAL] TEACHER STUDENT LOANS
9 AUTHORIZED--QUALIFICATIONS.--

10 A. The department may grant a loan to a student
11 deemed qualified by the department upon such terms and
12 conditions as may be imposed by rule of the department.

13 B. The department shall only receive, pass upon and
14 allow or disallow an application for a loan made by a student
15 who declares the intent to serve as a public school special
16 education teacher or special education instructional support
17 provider in a designated teacher shortage area of New Mexico.
18 Teacher shortage areas may be either geographic or discipline-
19 specific.

20 C. The department shall make a full and careful
21 investigation of the ability and qualifications of each
22 applicant to become a recipient of a loan. The department
23 shall give preference to qualified applicants who demonstrate
24 financial need.

25 D. The department and the public education

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1 department shall arrange for loan recipients to receive
2 assistance in locating employment with public schools in New
3 Mexico.

4 SECTION 5. [NEW MATERIAL] DELEGATION OF DUTIES TO OTHER
5 STATE AGENCIES.--The department may arrange with other agencies
6 for the performance of services required by the provisions of
7 Section 4 of the Special Education Loan for Service Act.

8 SECTION 6. [NEW MATERIAL] LOANS--CONTRACT TERMS--
9 REPAYMENT.--

10 A. Each applicant who is approved for a loan by the
11 department may be granted a loan in such amount and for such
12 period as the department determines. The loan shall not exceed
13 the necessary expenses incurred while attending a teacher
14 preparation or special education instructional support
15 professional program.

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

17 (1) eighteen percent per year if the loan
18 recipient completes a teacher preparation or special education
19 instructional support professional program and no portion of
20 the principal and interest is forgiven pursuant to Subsection F
21 of this section; or

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

23 C. Loans made pursuant to the Special Education
24 Loan for Service Act shall not accrue interest until the
25 department:

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1 (1) determines the loan recipient has
2 terminated the loan recipient's teacher preparation or special
3 education instructional support professional program prior to
4 completion;

5 (2) determines the loan recipient has failed
6 to fulfill the loan recipient's obligation to practice as a
7 licensed teacher or dually licensed special education
8 instructional support provider in New Mexico; or

9 (3) cancels a contract between a loan
10 recipient and the department pursuant to Section 9 of the
11 Special Education Loan for Service Act.

12 D. The loan shall be evidenced by a contract
13 between the loan recipient and the department acting on behalf
14 of the state. The contract shall provide for the payment by
15 the state of a stated sum covering the costs of a teacher
16 preparation or special education instructional support
17 professional program and shall be conditioned on the repayment
18 of the loan to the state over a period established by the
19 department after the completion of the teacher preparation or
20 special education instructional support professional program
21 and any postgraduate study or internship required to complete
22 the loan recipient's education.

23 E. A loan made to a recipient who fails to complete
24 a teacher preparation or special education instructional
25 support professional program shall become due immediately upon

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1 termination of the teacher preparation or special education
2 instructional support professional program. The department, in
3 consultation with the loan recipient, shall establish terms of
4 repayment, alternate service or cancellation.

5 F. The contract shall provide that the department
6 shall forgive a portion of the loan for each year that the loan
7 recipient practices as a licensed teacher or dually licensed
8 special education instructional support provider in New Mexico.
9 The loan shall be forgiven as follows:

10 (1) loan terms of one year shall require one
11 year of practice. Upon completion of service, one hundred
12 percent of the loan shall be forgiven;

13 (2) loan terms of two years shall require one
14 year of practice for each year of the loan. Upon completion of
15 the first year of service, fifty percent of the loan shall be
16 forgiven. Upon completion of the second year of service, the
17 remainder of the loan shall be forgiven; and

18 (3) for loan terms of three years or more,
19 forty percent of the loan shall be forgiven upon completion of
20 the first year of service, thirty percent of the loan shall be
21 forgiven upon completion of the second year of service and the
22 remainder of the loan shall be forgiven upon completion of the
23 third year of service.

24 G. A loan recipient shall serve a complete contract
25 year in order to receive credit for that year. The minimum

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1 credit for a year shall be established by the department.

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

14 I. The department shall adopt and promulgate rules
15 to implement the provisions of this section. The rules may
16 provide for the repayment of loans in annual or other periodic
17 installments.

18 SECTION 7. [NEW MATERIAL] CONTRACTS--LEGAL ASSISTANCE--
19 ENFORCEMENT.--The general form of the contract shall be
20 prepared and approved by the attorney general and signed by the
21 loan recipient and a designee of the department on behalf of
22 the state. The department is vested with full and complete
23 authority and power to sue in its own name for any balance due
24 the state from a loan recipient on a contract.

25 SECTION 8. [NEW MATERIAL] FUND CREATED--METHOD OF

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1 PAYMENT.--The "special education loan for service fund" is
2 created in the state treasury. Money appropriated for loans
3 pursuant to the Special Education Loan for Service Act;
4 earnings from investment of the fund; gifts, grants and
5 donations to the fund; and all payments of principal and
6 interest on loans made pursuant to that act shall be deposited
7 in the fund. Money in the fund shall not revert at the end of
8 a fiscal year. The fund shall be administered by the
9 department. All payments of money for loans shall be made on
10 warrants drawn by the secretary of finance and administration
11 pursuant to vouchers signed by the department's designated
12 representative.

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

16 SECTION 10. [NEW MATERIAL] REPORTS.--The department shall
17 report annually by January 1 to the governor and the
18 legislature on its activities pursuant to the Special Education
19 Loan for Service Act, including the loans granted, the names
20 and addresses of loan recipients, the teacher preparation and
21 special education instructional support professional programs
22 loan recipients are attending and the names and locations of
23 practice of loan recipients who have completed their education
24 and are teaching or providing special education instructional
25 support.

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