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AN ACT

RELATING TO HIGHER EDUCATION; PROVIDING FOR FINANCIAL AID FOR STUDENTS WHO WANT TO BECOME TEACHERS; CHANGING THE TEACHER LOAN REPAYMENT ACT TO MORE SPECIFICALLY TARGET THE TYPES OF HIGH-NEED TEACHERS WHO QUALIFY FOR THE PROGRAM; ENACTING THE TEACHER PREPARATION AFFORDABILITY ACT; PROVIDING POWERS AND DUTIES; CREATING A FUND; MAKING APPROPRIATIONS.

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

SECTION 1. Section 21-22H-1 NMSA 1978 (being Laws 2013, Chapter 177, Section 1) is amended to read:

"21-22H-1. SHORT TITLE.--Chapter 21, Article 22H NMSA 1978 may be cited as the "Teacher Loan Repayment Act"."

SECTION 2. Section 21-22H-3 NMSA 1978 (being Laws 2013, Chapter 177, Section 3) is amended to read:

"21-22H-3. DEFINITIONS.--As used in the Teacher Loan Repayment Act:

A. "department" means the higher education department;

B. "designated high-need teacher positions" means teacher positions in specific public schools that are:

(1) for teachers who are endorsed and teach bilingual education;

(2) for teachers who are endorsed and teach early childhood education or special education;

1 (3) for teachers who are endorsed and teach
2 science, technology, engineering, mathematics or career
3 technical education courses; or

4 (4) for teachers who are minorities; and

5 (5) in a public school that is low-
6 performing or serves a high percentage of economically
7 disadvantaged students; and

8 C. "loan" means a grant of money to defray the
9 costs incidental to a teacher education, under a contract
10 between the federal government and a teacher, requiring
11 repayment of principal and interest."

12 SECTION 3. Section 21-22H-4 NMSA 1978 (being Laws 2013,
13 Chapter 177, Section 4) is amended to read:

14 "21-22H-4. DEPARTMENT POWERS AND DUTIES--TEACHER
15 ELIGIBILITY--QUALIFICATIONS.--

16 A. The department may grant a loan repayment award
17 to repay loans obtained for the teacher educational expenses
18 of a teacher upon such terms and conditions as may be imposed
19 by rules of the department.

20 B. Applicants shall be licensed New Mexico
21 teachers who are bona fide citizens and residents of the
22 United States and of New Mexico and have taught at least
23 three years in New Mexico. High priority shall be given to
24 applicants who are teaching in designated high-need teacher
25 positions in the state.

1 C. The department and the public education
2 department shall jointly make a full and careful
3 investigation of the ability and qualifications of each
4 applicant and determine the fitness of a teacher to
5 participate in the teacher loan repayment program."

6 SECTION 4. Section 21-22H-5 NMSA 1978 (being Laws 2013,
7 Chapter 177, Section 5) is amended to read:

8 "21-22H-5. LOAN REPAYMENT AWARD CRITERIA--CONTRACT
9 TERMS--PAYMENT.--

10 A. Loan repayment award criteria shall provide
11 that:

12 (1) for high-priority applicants, award
13 amounts shall be dependent upon a specific public school's
14 need for the designated high-need teacher position, as
15 determined by the public education department, the teacher's
16 total teacher education indebtedness and available balances
17 in the teacher loan repayment fund;

18 (2) award amounts for other teachers shall
19 be based on the need for a teacher position that can be
20 filled by the applicant, as determined by the public
21 education department, the teacher's total teacher education
22 indebtedness and available balances in the teacher loan
23 repayment fund;

24 (3) preference in making awards shall be to
25 teachers who have graduated from a New Mexico public post-

1 secondary educational institution;

2 (4) award amounts shall not exceed six
3 thousand dollars (\$6,000) per year and may be modified based
4 upon funding availability or other special circumstances; and

5 (5) the total amount of awards made to any
6 one teacher shall not exceed the total teacher education
7 indebtedness remaining for that teacher.

8 B. The following teacher education debts are not
9 eligible for repayment pursuant to the Teacher Loan Repayment
10 Act:

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

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

17 (3) loans from a commercial lender;

18 (4) personal loans from friends or
19 relatives; and

20 (5) loans that exceed individual standard
21 school expense levels.

22 C. Every loan repayment award shall be evidenced
23 by a contract between the teacher and the department acting
24 on behalf of the state. The contract shall provide for the
25 payment by the state of a stated sum each year to the

1 teacher's federal government lender not to exceed six
2 thousand dollars (\$6,000) per year and shall state the
3 obligations of the teacher under the program, including a
4 minimum two-school-year period of service, quarterly
5 reporting requirements and other obligations established by
6 the department. Execution of contracts shall occur prior to
7 the start of a school year and the two-school-year period of
8 service starts at the execution of the contract.

9 D. The department shall make annual payments
10 pursuant to contracts only after satisfactory completion of a
11 full year of teaching as certified by the public education
12 department. The contract of any teacher who does not
13 complete a full year of teaching shall be voided, and the
14 teacher shall forfeit any right to that year's payment
15 pursuant to the contract.

16 E. Each contract shall be for an initial two-year
17 period and may be extended for three additional two-year
18 contracts. The department shall not enter into any contracts
19 with a single teacher for more than eight years of repayment.

20 F. Loan repayment awards shall be in the form of
21 payments from the teacher loan repayment fund directly to the
22 federal government lender of a teacher who has received the
23 award and shall be considered a payment on behalf of the
24 teacher pursuant to the contract between the department and
25 the teacher. A loan repayment award shall not obligate the

1 state or the department to the teacher's federal government
2 lender for any other payment and shall not be considered to
3 create any privity of contract between the state or the
4 department and the lender.

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

9 (1) a procedure for determining the amount
10 of a loan that will be repaid for each year of service; and

11 (2) for the disbursement of loan repayment
12 awards to a teacher's federal government lender in annual
13 installments after completion of each qualifying full year of
14 teaching."

15 SECTION 5. Section 21-22H-7 NMSA 1978 (being Laws 2013,
16 Chapter 177, Section 7) is amended to read:

17 "21-22H-7. TEACHER LOAN REPAYMENT FUND CREATED--METHOD
18 OF PAYMENT.--The "teacher loan repayment fund" is created in
19 the state treasury. All money appropriated for the teacher
20 loan repayment program shall be credited to the fund, and any
21 repayment of awards and interest received by the department
22 shall be credited to the fund. Income from the fund shall be
23 credited to the fund, and balances in the fund shall not
24 revert to any other fund. Money in the fund is subject to
25 appropriation by the legislature to the department for making

1 loan repayment awards pursuant to the Teacher Loan Repayment
2 Act. All payments for loan repayment awards shall be made
3 upon vouchers signed by the designated representative of the
4 department and upon a warrant issued by the secretary of
5 finance and administration."

6 SECTION 6. Section 21-22H-9 NMSA 1978 (being Laws 2013,
7 Chapter 177, Section 9) is amended to read:

8 "21-22H-9. REPORTS.--Prior to each regular session of
9 the legislature, the department shall make annual reports to
10 the governor and the legislature of the department's
11 activities pertaining to the Teacher Loan Repayment Act; the
12 loan repayment awards granted; the names and addresses of
13 teachers who received loan repayment awards; the names and
14 locations of the positions filled by those teachers; the name
15 of each teacher who received a loan repayment award who is
16 not serving in a designated high-need teacher position, the
17 amount owed on each teacher's loan and the amount paid on
18 each teacher's loan by loan repayment awards; and the number
19 of teachers whose contracts were voided because they did not
20 complete a full year of teaching."

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

23 "SHORT TITLE.--Sections 7 through 14 of this act may be
24 cited as the "Teacher Preparation Affordability Act"."

25 SECTION 8. A new section of Chapter 21 NMSA 1978 is

1 enacted to read:

2 "DEFINITIONS.--As used in the Teacher Preparation
3 Affordability Act:

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

6 B. "eligible student" means a New Mexico resident
7 who is enrolled or enrolling at least half-time in an
8 accredited public education department-approved teacher
9 preparation program at a New Mexico public post-secondary
10 educational institution or tribal college at any time later
11 than one hundred twenty days following high school graduation
12 or the award of a high school equivalency credential and who
13 is pursuing a teaching degree;

14 C. "scholarship" means a teacher preparation
15 affordability scholarship; and

16 D. "tribal college" means a tribally, federally or
17 congressionally chartered tribal post-secondary educational
18 institution located in New Mexico that is accredited by the
19 north central association of colleges and schools."

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

22 "CONDITIONS FOR ELIGIBILITY.--A scholarship may be
23 awarded to an eligible student who:

24 A. has not earned appropriate educational
25 credentials to be licensed as a teacher by the public

1 education department;

2 B. has demonstrated financial need consistent with
3 the criteria promulgated by the department; and

4 C. has complied with other rules promulgated by
5 the department to carry out the provisions of the Teacher
6 Preparation Affordability Act."

7 SECTION 10. A new section of Chapter 21 NMSA 1978 is
8 enacted to read:

9 "SCHOLARSHIP AUTHORIZED--ADMINISTRATION--PREFERENCE IN
10 SCHOLARSHIP AWARDS.--

11 A. The department shall administer the Teacher
12 Preparation Affordability Act and shall promulgate rules to
13 carry out the provisions of that act.

14 B. Scholarships shall be awarded to qualified
15 eligible students. Qualifications shall be determined by
16 rule of the department.

17 C. The department shall allocate money to public
18 post-secondary educational institutions and tribal colleges
19 based on a student need formula calculated according to
20 income reported on the free application for federal student
21 aid, on the number of students enrolled in each public
22 education department-approved teacher preparation program at
23 a New Mexico public post-secondary educational institution or
24 tribal college and on the percentage of the teacher
25 preparation program's students classified as returning adults

1 who are otherwise ineligible for state financial aid.

2 D. Public post-secondary educational institutions
3 and tribal colleges shall make awards to qualifying eligible
4 students based on financial need in an amount not to exceed
5 six thousand dollars (\$6,000) per year for not more than five
6 years as determined by rule of the department.

7 E. Public post-secondary educational institutions
8 and tribal colleges shall make awards first to qualifying
9 eligible students who:

10 (1) are English language learners;

11 (2) are minority students; or

12 (3) have declared intent to teach in a high-
13 need teacher position as defined by the public education
14 department.

15 F. After scholarships have been awarded to
16 eligible students pursuant to Subsection E of this section, a
17 public post-secondary educational institution or tribal
18 college shall award scholarships to other eligible students
19 as determined by department rule.

20 G. Money for the scholarship shall be placed in an
21 account at the public post-secondary educational institution
22 or tribal college in the name of the eligible student, and
23 the money may be drawn upon to pay educational expenses
24 charged by the institution, including tuition, fees, books
25 and course supplies, and living expenses."

1 SECTION 11. A new section of Chapter 21 NMSA 1978 is
2 enacted to read:

3 "DURATION OF SCHOLARSHIP.--Each scholarship is for a
4 period of one semester. A scholarship may be renewed as long
5 as the eligible student continues to meet the conditions of
6 eligibility, until the eligible student graduates from a
7 public post-secondary educational institution or tribal
8 college."

9 SECTION 12. A new section of Chapter 21 NMSA 1978 is
10 enacted to read:

11 "TERMINATION OF SCHOLARSHIP.--A scholarship is
12 terminated upon occurrence of one or more of the following:

13 A. the eligible student withdraws from the public
14 post-secondary educational institution or tribal college or
15 from the teacher preparation program or the eligible student
16 fails to remain at least a half-time student;

17 B. the eligible student fails to achieve
18 satisfactory academic progress; or

19 C. the eligible student is in substantial
20 noncompliance with the Teacher Preparation Affordability Act
21 or the rules promulgated pursuant to that act."

22 SECTION 13. A new section of Chapter 21 NMSA 1978 is
23 enacted to read:

24 "FUND CREATED.--The "teacher preparation affordability
25 scholarship fund" is created as a nonreverting fund in the

1 state treasury that consists of income from investment of the
2 fund; specified distributions; appropriations; and unspecified
3 gifts, grants and donations to the fund. Money in the fund is
4 subject to appropriation by the legislature to the department
5 for scholarship awards as provided in the Teacher Preparation
6 Affordability Act. Expenditures from the fund shall be by
7 warrant of the secretary of finance and administration
8 pursuant to vouchers signed by the secretary of higher
9 education or the secretary's authorized representative."=====

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