

1 HOUSE BILL 241

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

3 INTRODUCED BY

4 Sheryl Williams Stapleton

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10 AN ACT

11 RELATING TO EDUCATION; ENACTING THE TEACHER LOAN REPAYMENT ACT;  
12 CREATING A FUND; MAKING AN APPROPRIATION.

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

15 SECTION 1. A new section of the Public School Code is  
16 enacted to read:

17 "[NEW MATERIAL] SHORT TITLE.--This act may be cited as the  
18 "Teacher Loan Repayment Act"."

19 SECTION 2. A new section of the Public School Code is  
20 enacted to read:

21 "[NEW MATERIAL] PURPOSE.--The purpose of the Teacher Loan  
22 Repayment Act is to increase the number of teachers in  
23 designated high-risk teacher positions in public schools  
24 through an educational loan repayment program. The act  
25 provides for repayment of the principal and reasonable interest

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1 accrued on loans obtained from the federal government or a  
2 commercial lender for teacher education purposes."

3 SECTION 3. A new section of the Public School Code is  
4 enacted to read:

5 "[NEW MATERIAL] DEFINITIONS.--As used in the Teacher Loan  
6 Repayment Act:

7 A. "designated high-risk teacher positions" means  
8 teacher positions in specific public schools that have been  
9 designated by the department as schools with a high percentage  
10 of students that are not meeting acceptable academic  
11 proficiency levels and are located in areas with a high rate of  
12 poverty; and

13 B. "loan" means a grant of money to defray the  
14 costs incidental to a teacher education, under a contract  
15 between the federal government or a commercial lender and a  
16 teacher, requiring repayment of principal and interest."

17 SECTION 4. A new section of the Public School Code is  
18 enacted to read:

19 "[NEW MATERIAL] DEPARTMENT POWERS AND DUTIES--PARTICIPANT  
20 ELIGIBILITY--QUALIFICATIONS.--

21 A. The department may grant an award to repay loans  
22 obtained for teacher educational expenses of a teacher upon  
23 such terms and conditions as may be imposed by rules of the  
24 department.

25 B. Applicants shall be licensed New Mexico teachers

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1 and shall be bona fide citizens and residents of the United  
2 States and of New Mexico. Applicants shall declare their  
3 intent to practice as teachers in designated high-risk teacher  
4 positions in the state.

5 C. The department shall make a full and careful  
6 investigation of the ability and qualifications of each  
7 applicant and determine fitness to become a teacher in the  
8 teacher loan repayment program."

9 SECTION 5. A new section of the Public School Code is  
10 enacted to read:

11 "[NEW MATERIAL] AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

12 A. Award criteria shall provide that:

13 (1) amounts shall be dependent upon the need  
14 for the teacher position, the applicant's total teacher  
15 education indebtedness and balances in the teacher loan  
16 repayment fund;

17 (2) preference in making awards shall be to  
18 individuals who have graduated from a New Mexico public  
19 post-secondary educational institution;

20 (3) recruitment awards shall be made to  
21 eligible participants who agree to accept a designated high-  
22 risk teacher position;

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

25 (5) an award shall not exceed the total

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1 teacher education indebtedness of a participant.

2 B. The following teacher education debts are not  
3 eligible for repayment pursuant to the Teacher Loan Repayment  
4 Act:

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

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

11 (3) personal loans from friends or relatives;  
12 and

13 (4) loans that exceed individual standard  
14 school expense levels.

15 C. The loan repayment award shall be evidenced by a  
16 contract between the teacher and the department acting on  
17 behalf of the state. The contract shall provide for the  
18 payment by the state of a stated sum to the teacher's debtors  
19 and shall state the obligations of the teacher under the  
20 program, including a minimum two-school-year period of service  
21 in a designated high-risk teacher position, quarterly reporting  
22 requirements and other policies established by the department.

23 D. Recipients shall serve a complete school year in  
24 order to receive credit for that year. The minimum credit for  
25 a school year shall be established by the department.

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1           E. The contract between a teacher and the  
2 department shall provide that, if the teacher does not comply  
3 with the terms of the contract, the teacher shall reimburse the  
4 department for all loan repayments made on the teacher's  
5 behalf, plus reasonable interest at a rate to be determined by  
6 the department, unless the department finds acceptable  
7 extenuating circumstances for why the teacher cannot serve or  
8 comply with the terms of the contract.

9           F. The department shall adopt rules to implement  
10 the provisions of the Teacher Loan Repayment Act. The rules  
11 may provide for the disbursement of loan repayment awards to a  
12 teacher's creditors in annual or other periodic installments."

13           **SECTION 6.** A new section of the Public School Code is  
14 enacted to read:

15           "[NEW MATERIAL] CONTRACTS--ENFORCEMENT.--The general form  
16 of a contract required pursuant to the Teacher Loan Repayment  
17 Act shall be prepared and approved by the attorney general, and  
18 each contract shall be signed by the teacher and the designated  
19 representative of the department on behalf of the state. The  
20 department is vested with full and complete authority and power  
21 to sue in its own name for any balance due the state from a  
22 teacher under any such contract."

23           **SECTION 7.** A new section of the Public School Code is  
24 enacted to read:

25           "[NEW MATERIAL] FUND CREATED--METHOD OF PAYMENT.--The

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1 "teacher loan repayment fund" is created in the state treasury.  
2 All money appropriated for the teacher loan repayment program  
3 shall be credited to the fund, and any repayment of awards and  
4 interest received by the department shall be credited to the  
5 fund. Income from the fund shall be credited to the fund, and  
6 balances in the fund shall not revert to any other fund. Money  
7 in the fund is appropriated to the department for making loan  
8 repayment awards pursuant to the Teacher Loan Repayment Act.  
9 All payments for loan repayment awards shall be made upon  
10 vouchers signed by the designated representative of the  
11 department and upon a warrant issued by the secretary of  
12 finance and administration."

13 SECTION 8. A new section of the Public School Code is  
14 enacted to read:

15 "[NEW MATERIAL] CANCELLATION.--The department may cancel  
16 any contract made between it and a teacher for any reasonable  
17 cause deemed sufficient by the department."

18 SECTION 9. A new section of the Public School Code is  
19 enacted to read:

20 "[NEW MATERIAL] REPORTS.--The department shall make annual  
21 reports to the governor and to the legislature, prior to each  
22 regular session, of its activities, the loan repayment awards  
23 granted, the names and addresses of loan repayment award  
24 recipients, the names and locations of the positions filled by  
25 those teachers and the name of each loan repayment award

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1 recipient who is not serving in a designated high-risk teacher  
2 position, the reason the person is not serving and the amount  
3 owed and paid on the loan and loan repayment award."

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