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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number HB275/HAFCS/aSFI **Sponsor** HAFCS

Tracking Number .214300.2 **Committee Referrals** HEC/HAFCS; SEC

Short Title College of Education Affordability

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BILL SUMMARY

Synopsis of Senate Floor Amendment 1

The Senate Floor Amendment 1 to the House Appropriations and Finance Committee Substitute for HB275 (HB275/HAFCS/aSFI) would change the per year award amount from \$4 thousand to \$6 thousand for both, the teacher loan repayment program and the teacher preparation affordability scholarship.

Synopsis of Original Bill

The House Appropriations and Finance Committee Substitute to HB275 (HB275/HAFCS) would amend the Teacher Loan Repayment program and create the new Teacher Preparation Affordability Act modeled after the College Affordability Act. The bill would prioritize loan repayment for teachers with a degree or endorsement in early childhood education, special education, bilingual education, STEM, and career technical education (CTE). The bill would also prioritize loan repayment for minority teachers. To qualify, teachers would need to teach for at least three years in New Mexico. A teacher's lender would receive annual payments not to exceed \$4 thousand per completed year, for no more than eight years.

The bill would also create a new scholarship program administered by the Higher Education Department (HED) for prospective teachers. The bill would require HED to provide funds to public postsecondary institutions to award need-based scholarships that fund living expenses, tuition, fees, books, and course supplies for students enrolled or enrolling in an educator preparation program in New Mexico. Scholarship awards would be capped at \$4 thousand per year for no more than five years. Priority would be given to students who are English learners (ELs), minority students, and students who declare an intent to teach in a high-need teacher position as defined by the Public Education Department (PED).

FISCAL IMPACT

The bill does not contain an appropriation. The bill would create the teacher preparation affordability scholarship fund. The bill would also amend how funds are allocated to the teacher loan repayment fund. Both funds would be administered by HED and eligible to receive funds

subject to appropriation by the Legislature. The House Appropriations and Finance Committee Substitute for HB2 (HB2/HAFCS) includes a \$25 million transfer to the teacher loan repayment fund. Contingent upon enactment of HB275/HAFCS/aSFI, \$12.5 million of those funds would be transferred to the teacher preparation affordability fund.

SUBSTANTIVE ISSUES

Teacher Loan Repayment Act. HB275/HAFCS/aSFI would amend Sections 21-22H-1 through 21-22H-9 NMSA 1978 of the Teacher Loan Repayment Act. Currently teachers who qualify for loan repayment must teach in a designated high-risk position as defined by PED and work in a location with a high percentage of students not meeting acceptable academic proficiency levels and located in a geographic area with a high poverty rate. HB275/HAFCS/aSFI would prioritize loan repayment for teachers who serve in a high-need teacher position. High-need positions, per HB275/HAFCS/aSFI, would be defined as teachers who are ethnic minorities or teachers with a degree or endorsement in early childhood education, special education, bilingual education, STEM, or CTE, and who teach in schools located in areas of high poverty or schools that are low-performing. According to the *2018 New Mexico Educator Vacancy Report*, there were 267 special education teacher vacancies, 54 math vacancies, 40 vacancies for positions requiring a TESOL or bilingual endorsement, 40 science vacancies, and 31 vacancies in CTE and technology in FY19. There is high demand for loan repayment awards as HED reports over 100 teachers apply annually with only eight awards granted in FY19.

Currently per HED rule, teachers can have their loans repaid by teaching in a high-risk position for a minimum of two school years. HED awards \$6 thousand per year, or a maximum of \$12 thousand per two-year contract. While this alleviates the financial burden of student loans for teachers, it has not been proven to be a successful retention strategy as 50 percent of teachers in New Mexico leave the profession in the first five years. HB275/HAFCS/aSFI would require teachers to have taught at least three years in New Mexico. Teachers would then enter into a two-year contract to have their loans repaid over the subsequent years. HED would make annual payments to the teacher's lender not to exceed \$6 thousand per completed year. Teachers would be able to enter into a maximum of four two-year contracts for a potential total maximum repayment award of \$48 thousand. Teachers who do not complete a full year of teaching would void their contract and forfeit the right to payment pursuant to the contract.

Teacher Eligibility. Pursuant to 21-22H-4 NMSA 1978 teachers must be bona fide citizens and residents of the United States and of New Mexico to participate in the current teacher loan repayment program. The language in HB275/HAFCS/aSFI is consistent with this provision. As of 2017, there are 11,485 active duty military personnel across the four New Mexico military bases. Many military spouses comprise the teacher workforce. These individuals are typically stationed in New Mexico for spans of three years and would not be eligible for loan repayment under current statute. Although these individuals would not qualify for the state's loan repayment program, they would qualify for federal teacher loan repayment. In order to qualify for federal teacher loan repayment, individuals must teach for five complete and consecutive academic years at a low-income school or educational service agency. Under this program, teachers would be eligible for up to \$17,500 of repayment toward federal loans.

Teacher Preparation Affordability Act. HB275/HAFCS/aSFI would create the Teacher Preparation Affordability Act which would offer need-based scholarships for students pursuing a teaching degree from a New Mexico public postsecondary institution. Funds would be prioritized for ELs, minority students, and students who declare an intent to teach in a high-need teacher position as defined by PED. The scholarship award would not exceed \$6 thousand per year for up

to five years. Students would be allowed to use the funds for tuition, fees, books, course supplies, and living expenses. HB275/HAFCS/aSFl would define “eligible student” as one who is pursuing an educator preparation program in a public postsecondary institution or tribal college at any time later than 120 days following high school graduation or a high school equivalency credential; has not earned appropriate education credentials to be a licensed teacher; and has demonstrated financial need. The definition is inclusive of individuals pursuing alternative teaching licensure as this group makes up a large percentage of New Mexico’s teacher workforce. Although overall enrollment in colleges of education has dropped in recent years, the number of alternative teacher licensure completers in New Mexico rose by 50 percent between 2010 and 2015; conversely, the number of four-year traditional teaching licensure completers dropped by 28 percent from 2010 to 2015.

ADMINISTRATIVE IMPLICATIONS

HED would be required to administer the teacher loan repayment fund and the teacher preparation affordability scholarship fund. The department would also be responsible for collaborating with PED and promulgating rules to carry out the provisions of HB275/HAFCS/aSFl.

OTHER SIGNIFICANT ISSUES

Student Debt. The debt to earnings ratio of students who go into teaching often results in challenges for colleges of education to recruit students into teaching. College students who can foresee making an annual salary of \$36 thousand are often dissuaded from pursuing a teaching degree. In an attempt to reduce costs for prospective teachers, the Legislature enacted the Teacher Loan for Service Act and the Teacher Loan Repayment Act. While these programs are intended to improve recruitment and retention of individuals in the teaching field, neither program’s structure incentivizes sustained teacher retention. Additionally, neither program has received significant financial support, in FY18, \$20 thousand was allocated to the teacher loan for service fund and \$60 thousand to the teacher loan repayment fund.

HED data indicates that for teacher loan for service grants made between FY09 and FY19, there was an average default rate of 67 percent. Because the Teacher Preparation Affordability Act would be a need-based scholarship that does not have a service requirement, it may lead to more students pursuing teaching as a career without the burden of a loan. According to a report published by The Learning Policy Institute, debt highly influenced students’ career choices. Students who did not have substantial debt were more likely to pursue a career in education. Additionally, minority students perceive student loans as a greater burden than Caucasian students, making them less likely to pursue education as a career if they must incur loans.

Minority Teachers. Seventy-five percent of students in New Mexico are students of color; however, only 36 percent of teachers in New Mexico are teachers of color. According to a report published by The Learning Policy Institute, teachers of color influence the reading and math scores as well as graduation rates of students of color. Additionally, there are social-emotional and nonacademic benefits for students of color to have teachers of color. Students are less likely to have unexcused absences and have a lower probability of being suspended. The report notes Caucasian students report having positive perceptions of their teachers of color as evidenced by the student-teacher rapport and the level of academic rigor in the classroom.

Many strategies have been identified as successful recruitment tools to diversify the teacher workforce, among them loan repayment and scholarship programs have proven to effectively diversify the teacher pipeline. The North Carolina Teaching Fellows Program was touted as an

effective minority teacher recruitment tool. The program is highly selective and provides fellows with up to \$8,250 annually for a maximum of four years to attend an approved North Carolina university if the student commits to teach in the state for a minimum of four years. Other states implementing minority teacher recruitment tools based on repayment or scholarships are Florida, Kentucky, Minnesota, Missouri, and Tennessee.

RELATED BILLS

HB120, Bilingual Teacher Preparation Act

SOURCES OF INFORMATION

- LESC Files
- Eastern New Mexico University (ENMU)
- Higher Education Department (HED)
- Public Education Department (PED)
- University of New Mexico (UNM)

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