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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/21

SPONSOR Gallegos LAST UPDATED _____ HB _____

SHORT TITLE Educational Loan Repayment SB 151

ANALYST Becerra

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	See Fiscal Implications					

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act, House Bill 22 and Senate Bill 159

SOURCES OF INFORMATION

LFC Files

Responses Received From

The Higher Education Department (HED)

The University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 151 (SB151) establishes the Instructional Support Provider Loan Repayment Act, a loan repayment program for instructional support providers.

The bill defines an instructional support provider to be a person who is employed to support the instructional program of a school district or charter school, including an educational assistant, school counselor, educational diagnostician, social worker, school nurse, speech-language pathologist, psychologist, physical therapist, occupational therapist, recreational therapist, marriage and family therapist and interpreter for the deaf.

FISCAL IMPLICATIONS

SB151 does not include an appropriation, but specifies that award amounts should not exceed \$6,000 per year.

Higher Education Department (HED) notes that they anticipate the demand for the new Instructional Support Provider Loan Repayment Act to be substantial. If enacted, HED may request an appropriation for the program needs in future fiscal years.

SIGNIFICANT ISSUES

Notable Provisions

The eligibility qualifications specified by HB151 require eligible applicants to be licensed New Mexico instructional support providers, bona fide citizens and residents of the United States and of New Mexico who have worked at least three years in New Mexico. High priority will be given to applicants who are working in designated high-need instructional support positions.

Obligations to the instructional support provider include a minimum two-school-year period of service for holders of undergraduate degrees or a minimum four-school-year period of service for holders of graduate degrees. Quarterly reporting requirements and other obligations may be established by HED.

Each contract shall be for an initial two- or four-school-year period and may be extended for three additional two-year contracts, but should not exceed a total of eight years of repayment.

Similar Financial Assistance Programs

The state currently invests in four (4) teacher preparation assistance programs- the Grow Your Own Teacher scholarship, the Teacher Affordability scholarship, the Teacher Loan-for-Service program and the Teacher Loan Repayment program. The provisions of this bill are most similar to the Teacher Loan Repayment program that allows for the repayment of the principal and reasonable interest accrued on loans obtained from the federal government for teacher education purposes, prioritizes preference to minority teachers filling high need positions who are graduates of a New Mexico institution, and requires a two school-year commitment from award recipients.

HED notes that the departments also administers the current Health Professional Loan Repayment Act.

Either of these current efforts could be amended to expand the eligibility to include the positions specified in this bill.

PERFORMANCE IMPLICATIONS

HB151 specifies that prior to each regular session of the Legislature, HED shall make available annual reports to the governor and the Legislature of the department's activities pertaining to the Instructional Support Provider Loan Repayment Act. The report should include:

- loan repayment awards granted;
- names and addresses of instructional support providers who received loan repayment awards;
- names and locations of the positions filled by those instructional support providers;
- name of each instructional support provider who received a loan repayment award who is not serving in a designated high-need instructional support provider position;
- amount owed on the loan of each of those instructional support providers and the amount

- paid on each of those loans by loan repayment awards; and
- number of instructional support providers whose contracts were voided because they did not complete a full year of providing instructional support

ADMINISTRATIVE IMPLICATIONS

Provisions of HB151 specify that the loan repayment program be administered by HED, but requires that HED work collaboratively with PED to jointly make a full and careful investigation of the ability and qualifications of each applicant and determine the fitness of an instructional support provider to participate in the loan repayment program. Additionally, HED should consult with PED before adopting rules providing a procedure for determining the amount of a loan that will be repaid for each year of service, and disbursement of award funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The provisions within SB151 relate to appropriations included in the General Appropriation Act, HB22 and SB159.

ALTERNATIVES

Current loan repayment programs (i.e. Teacher Loan Repayment) can be amended to expand their eligibility requirements and include the positions specified in this bill.

MB/al