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SECRETARY OF STATE

State of New Mexico

Susana Martinez
Governor

April 8, 2011

HOUSE EXECUTIVE MESSAGE NO. 36

The Honorable Ben Luján and
Members of the House of Representatives
State Capitol Building
Santa Fe, NM 87501

Honorable Speaker Luján and Members of the House:

Pursuant to the Constitution of the State of New Mexico, Article IV, Section 22, I hereby VETO and am returning HOUSE EDUCATION COMMITTEE SUBSTITUTE FOR HOUSE BILL 241, as amended, enacted by the Fiftieth Legislature, First Session, 2011.

This bill enacts the Teacher Loan Repayment Act and establishes a fund to pay the principal and interest on federal education loans incurred by New Mexico teachers who agree to teach in high-risk positions.

While this legislation is well intended, it is not practicable during difficult economic times. Invariably, money appropriated from this fund will either be generated through a fee or a tax increase, neither of which I support.

I support programs that enable us to recruit and retain the best and brightest education professionals. This session, I was proud that my administration increased general fund education spending by \$56 million between Fiscal Year 11 and Fiscal Year 12. In addition to increased funding, I supported education reform that would have rewarded outstanding schools and teachers who invest in New Mexico students. I am disappointed that the legislature failed to advance this bill, but I look forward to revisiting this issue in the future.

Respectfully yours,

Susana Martinez
Governor

HOUSE EXECUTIVE MESSAGE NO. 36
The Honorable Ben Luján
April 8, 2011
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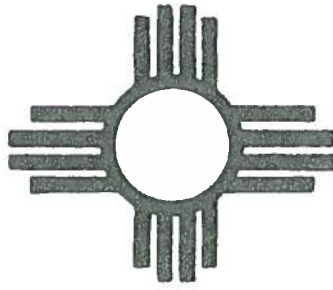
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Time: 8:38 a.m. p.m.
Date: April 8 2011

By Billy Lee
Secretary of State

Time: _____ a.m. p.m.
Date: _____ 2011

By _____
Chief Clerk of the House



The Legislature
of the
State of New Mexico

50th Legislature, 1st Session

LAWS 2011

CHAPTER

HOUSE EDUCATION COMMITTEE SUBSTITUTE

FOR HOUSE BILL 241, as amended

Introduced by

VETOED



1 AN ACT
2 RELATING TO EDUCATION; ENACTING THE TEACHER LOAN REPAYMENT
3 ACT; CREATING A FUND; MAKING AN APPROPRIATION.
4

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

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

8 "SHORT TITLE.--This act may be cited as the "Teacher
9 Loan Repayment Act"."

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

12 "PURPOSE.--The purpose of the Teacher Loan Repayment Act
13 is to increase the number of teachers in designated high-risk
14 teacher positions in public schools through an educational
15 loan repayment program. The act provides for repayment of the
16 principal and reasonable interest accrued on loans obtained
17 from the federal government for teacher education purposes."

18 SECTION 3. A new section of Chapter 21 NMSA 1978 is
19 enacted to read:

20 "DEFINITIONS.--As used in the Teacher Loan Repayment
21 Act:

22 A. "department" means the higher education
23 department;

24 B. "designated high-risk teacher positions" means
25 teacher positions in specific public schools that have been

1 designated by the public education department as schools with
2 a high percentage of students that are not meeting acceptable
3 academic proficiency levels and are located in areas with a
4 high rate of poverty; and

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

9 SECTION 4. A new section of Chapter 21 NMSA 1978 is
10 enacted to read:

11 "DEPARTMENT POWERS AND DUTIES--PARTICIPANT ELIGIBILITY--
12 QUALIFICATIONS.--

13 A. The department may grant an award to repay
14 loans obtained for teacher educational expenses of a teacher
15 upon such terms and conditions as may be imposed by rules of
16 the department.

17 B. Applicants shall be licensed New Mexico
18 teachers and shall be bona fide citizens and residents of the
19 United States and of New Mexico. Applicants shall declare
20 their intent to practice as teachers in designated high-risk
21 teacher positions in the state.

22 C. The department and the public education
23 department shall jointly make a full and careful investigation
24 of the ability and qualifications of each applicant and
25 determine fitness to become a teacher in the teacher loan

1 repayment program."

2 SECTION 5. A new section of Chapter 21 NMSA 1978 is
3 enacted to read:

4 "AWARD CRITERIA--CONTRACT TERMS--PAYMENT.--

5 A. Award criteria shall provide that:

6 (1) amounts shall be dependent upon the need
7 for the teacher position, as determined by the public
8 education department, the applicant's total teacher education
9 indebtedness and balances in the teacher loan repayment fund;

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

13 (3) recruitment awards shall be made to
14 eligible participants who agree to accept a designated high-
15 risk teacher position;

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

18 (5) an award shall not exceed the total
19 teacher education indebtedness of a participant.

20 B. The following teacher education debts are not
21 eligible for repayment pursuant to the Teacher Loan Repayment
22 Act:

23 (1) amounts incurred as a result of
24 participation in state loan-for-service programs or other
25 state programs whose purpose states that service be provided

1 in exchange for financial assistance;

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

4 (3) personal loans from friends or
5 relatives; and

6 (4) loans that exceed individual standard
7 school expense levels.

8 C. The loan repayment award shall be evidenced by
9 a contract between the teacher and the department acting on
10 behalf of the state. The contract shall provide for the
11 payment by the state of a stated sum to the teacher's
12 creditors and shall state the obligations of the teacher under
13 the program, including a minimum two-school-year period of
14 service in a designated high-risk teacher position, quarterly
15 reporting requirements and other policies established by the
16 department.

17 D. Recipients shall serve a complete school year
18 in order to receive credit for each year. The minimum credit
19 for a school year shall be established by the department.

20 E. The contract between a teacher and the
21 department shall provide that, if the teacher does not comply
22 with the terms of the contract, the teacher shall reimburse
23 the department for all loan repayments made on the teacher's
24 behalf, plus reasonable interest at a rate to be determined by
25 the department, unless the department finds acceptable

1 extenuating circumstances for why the teacher cannot serve or
2 comply with the terms of the contract.

3 F. Loan repayment awards shall be in the form of a
4 payment from the teacher loan repayment fund directly to a
5 creditor of a teacher that has received the award and shall be
6 considered a payment on behalf of the teacher and pursuant to
7 the contract between the department and the teacher. A loan
8 repayment award shall not obligate the state or the department
9 to the creditor for any payment and shall not be considered to
10 create any privity of contract between the state or the
11 department and the creditor.

12 G. The department, after consulting with the
13 public education department, shall adopt rules to implement
14 the provisions of the Teacher Loan Repayment Act. The rules:

15 (1) shall provide a procedure for
16 determining the amount of a loan that will be repaid for each
17 year of service in a designated high-risk teacher position;
18 and

19 (2) may provide for the disbursement of loan
20 repayment awards to a teacher's creditors in annual or other
21 periodic installments."

22 SECTION 6. A new section of Chapter 21 NMSA 1978 is
23 enacted to read:

24 "CONTRACTS--ENFORCEMENT.--The general form of a contract
25 required pursuant to the Teacher Loan Repayment Act shall be

1 prepared and approved by the attorney general, and each
2 contract shall be signed by the teacher and the designated
3 representative of the department on behalf of the state. The
4 department is vested with full and complete authority and
5 power to sue in its own name for any balance due the state
6 from a teacher under any such contract."

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

9 "FUND CREATED--METHOD OF PAYMENT.--The "teacher loan
10 repayment fund" is created in the state treasury. All money
11 appropriated for the teacher loan repayment program shall be
12 credited to the fund, and any repayment of awards and interest
13 received by the department shall be credited to the fund.
14 Income from the fund shall be credited to the fund, and
15 balances in the fund shall not revert to any other fund.
16 Money in the fund is appropriated to the department for making
17 loan repayment awards pursuant to the Teacher Loan Repayment
18 Act. All payments for loan repayment awards shall be made
19 upon vouchers signed by the designated representative of the
20 department and upon a warrant issued by the secretary of
21 finance and administration."

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

24 "CANCELLATION.--The department may cancel any contract
25 made between it and a teacher for any reasonable cause deemed

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LEGISLATION

1 sufficient by the department."

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

4 "REPORTS.--The department shall make annual reports to
5 the governor and to the legislature, prior to each regular
6 session, of its activities, the loan repayment awards granted,
7 the names and addresses of loan repayment award recipients,
8 the names and locations of the positions filled by those
9 teachers and the name of each loan repayment award recipient
10 who is not serving in a designated high-risk teacher position,
11 the reason the person is not serving and the amount owed and
12 paid on the loan and loan repayment award."

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24 OFFICE OF THE CLERK

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S/ BEN LUJAN
BEN LUJAN, SPEAKER
HOUSE OF REPRESENTATIVES

S/ STEPHEN R. ARIAS
STEPHEN R. ARIAS, CHIEF CLERK
HOUSE OF REPRESENTATIVES

S/ JOHN A. SANCHEZ
JOHN A. SANCHEZ, PRESIDENT
SENATE

S/ LENORE M. NARANJO
LENORE M. NARANJO, CHIEF CLERK
SENATE

Approved by me this _____ day of _____, 2011

SUSANA MARTINEZ, GOVERNOR
STATE OF NEW MEXICO

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