

1 SENATE BILL NO. 100

2 INTRODUCED BY S. KITZENBERG

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MAXIMUM OF \$20,000 IN STUDENT LOAN
5 REPAYMENT ASSISTANCE FOR MONTANA TEACHERS; ESTABLISHING CRITERIA FOR LOAN
6 REPAYMENT ELIGIBILITY; AND PROVIDING AN EFFECTIVE DATE."

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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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10 NEW SECTION. **Section 1. Annual loan repayment assistance to teachers -- definition.** (1) Subject
11 to a line item appropriation, the superintendent of public instruction shall administer a teacher loan
12 repayment assistance program.

13 (2) Pursuant to subsections (6) and (7), loan repayment assistance may be provided annually, for
14 a maximum of 4 years, to a teacher that is newly employed in a Montana school, provided that the teacher
15 is:

16 (a) a full-time employee of:

17 (i) a Montana public school district, as defined in 20-6-101;

18 (ii) an education cooperative, as described in 20-7-451; or

19 (iii) the Montana school for the deaf and blind, as described in 20-8-101;

20 (b) certified to teach in Montana under the provisions of 20-4-103; and

21 (c) a graduate of an accredited higher education teacher preparation program, recognized by the
22 board of public education, and has incurred debt from a federal loan program in order to complete the
23 requirements for a baccalaureate or master's degree necessary for teaching certification or endorsement.
24 Eligible educational loans include all authorized federal educational loans, except federal PLUS loans, as
25 provided in 20 U.S.C. 1078-2, and portions of loans that are eligible for repayment by other federal, state,
26 or local loan forgiveness, discharge, or repayment incentive programs.

27 (3) A teacher is eligible for loan repayment assistance in the school year beginning July 1 after
28 the teacher obtains the appropriate certification from the superintendent of public instruction. A teacher
29 is eligible to receive the loan repayment assistance during the first 4 years of eligible employment in
30 Montana school districts following the date of initial certification.

1 (4) By October 15, each Montana teacher who is eligible for loan repayment assistance under
2 subsection (2) shall submit a request to the superintendent of public instruction for loan repayment
3 assistance funds. The request must be made on a form prescribed by the superintendent of public
4 instruction and must include documentation that the teacher meets the criteria established in subsection
5 (2) for the current school fiscal year. The form must be accompanied by official verification or proof of the
6 teacher's total unpaid, accumulated student loan debt in the first year of program eligibility along with any
7 other required documentation necessary for the superintendent of public instruction to issue a warrant to
8 the teacher's education lender or loan holder.

9 (5) The superintendent of public instruction shall establish the loan repayment process to ensure
10 the integrity of the program. The total amount of loan repayment assistance provided for an eligible teacher
11 may not exceed \$20,000. The amount contractually committed in a year may not exceed the annual
12 amount appropriated by the legislature.

13 (6) The total annual loan repayment assistance provided for any teacher in 1 year may not exceed
14 the lesser of 25% of the teacher's total unpaid, accumulated student loan debt in the first year of eligibility
15 or \$5,000 unless:

16 (a) the teacher is a recipient of other student loan repayment assistance from any other federal,
17 state, local, or private program and has a total, accumulated student loan debt of less than \$20,000. If
18 applicable, the annual loan repayment assistance will be reduced by the total amount that teacher has
19 already received and will receive from the other programs during the school year, beginning July 1.

20 (b) the teacher is the recipient of other loan repayment assistance from any other federal, state,
21 local, or private program and has a total, accumulated student loan debt of greater than \$20,000. The
22 annual loan repayment assistance may not exceed the lesser of:

23 (i) 25% of the remainder of the teacher's total unpaid, accumulated student loan debt in the first
24 year of eligibility minus the total expected loan assistance provided from other programs during the life of
25 the loans; or

26 (ii) \$5,000.

27 (7) The obligation for funding the loan repayment assistance is an obligation of the state. The
28 provisions of this section may not be construed to require the superintendent of public instruction to
29 provide loan repayment assistance to a qualifying teacher without an appropriation from the state to an
30 account in the state special revenue fund to be used for teacher loan repayments. If the appropriation for

1 funding loan repayment assistance payments is less than the total amount for which Montana teachers
2 qualify, the superintendent of public instruction shall prorate the appropriation in a manner that provides
3 the same percentage reduction of loan repayment assistance for each qualifying teacher.

4 (8) As used in this section, "federal loan program" means student educational loans authorized
5 by Part B, Part D, and Part E of Title IV of the Higher Education Act of 1965, as amended.

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7 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
8 integral part of Title 20, chapter 4, part 1, and the provisions of Title 20, chapter 4, part 1, apply to
9 [section 1].

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11 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2001.

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