

SENATE BILL NO. 198

INTRODUCED BY S. KITZENBERG

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR STUDENT LOAN REPAYMENT ASSISTANCE
5 FOR MONTANA TEACHERS WITH CERTIFICATION OR ENDORSEMENT TO TEACH IN CRITICAL TEACHER
6 SHORTAGE CERTIFICATION OR ENDORSEMENT AREAS; REQUIRING THE BOARD OF PUBLIC
7 EDUCATION TO CREATE AND MAINTAIN A LIST OF CRITICAL TEACHER SHORTAGE CERTIFICATION OR
8 ENDORSEMENT AREAS AND A LIST OF SCHOOL ENROLLMENT SIZE GROUPS AND OF GEOGRAPHIC
9 REGIONS WITHIN THE STATE THAT ARE EXPERIENCING CRITICAL TEACHER SHORTAGES; PROVIDING
10 A PREFERENCE IN REPAYMENT ASSISTANCE FOR TEACHERS SERVING IN THOSE REGIONS MOST
11 IMPACTED BY CRITICAL TEACHER SHORTAGES IF PROGRAM ELIGIBILITY EXCEEDS THE STATE
12 APPROPRIATION; ESTABLISHING OTHER CRITERIA FOR LOAN REPAYMENT ELIGIBILITY; AND
13 PROVIDING AN EFFECTIVE DATE."

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15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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17 NEW SECTION. **Section 1. Legislative findings and intent.** (1) The legislature finds and declares that:

- 18 (a) a shortage of qualified teachers in specific subject areas and in certain geographical regions of the
19 state will negatively impact the quality of education available to Montana students;
20 (b) the average student leaves college owing thousands of dollars in loans; and
21 (c) many graduates of Montana teacher education programs are actively recruited by out-of-state districts
22 that offer higher-paying teaching positions and financial assistance for repaying student loans.

23 (2) It is the intent of the legislature to serve the public purpose of assisting school districts in recruiting
24 and retaining qualified teachers by offering student loan repayment assistance for teachers in critical shortage
25 areas.

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27 NEW SECTION. **Section 2. Teacher loan repayment assistance program.** Subject to a line item
28 appropriation or grant funding specified for this purpose, the Montana guaranteed student loan program shall
29 establish the Montana teacher loan repayment assistance program.
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1 **NEW SECTION. Section 3. Critical teacher shortage areas.** (1) The board of public education, in
2 consultation with the office of public instruction, shall create and maintain a list of critical teacher shortage
3 certification or endorsement areas for the purposes of [sections 1 through 4].

4 (2) The board of public education shall consider, at a minimum, the following factors in adding any
5 certification or endorsement area to the list required under subsection (1):

6 (a) demonstrated demand by Montana school districts for additional qualified teachers in the certification
7 or endorsement area;

8 (b) the number of Montana university or college students currently pursuing certification or endorsement
9 through an accredited teacher education program; and

10 (c) the lack of a Montana certification or preparation program for the specific certification or endorsement
11 area.

12 (3) The board of public education, in consultation with the office of public instruction, shall create and
13 maintain a list of school enrollment size groups and of geographic regions within the state that are experiencing
14 critical teacher shortages based on the demonstrated demand by Montana school districts for additional qualified
15 teachers. This list must be used in assigning funding preferences as specified in [section 4(6)].

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17 **NEW SECTION. Section 4. Annual loan repayment assistance to teachers in critical teacher**
18 **shortage certification or endorsement areas -- definition.** (1) Pursuant to subsections (5) and (6), loan
19 repayment assistance may be provided annually, for a maximum of 3 years, to a teacher who is:

20 (a) employed full-time by one of the following:

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

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

23 (b) assigned to classroom instruction that requires certification or endorsement in a critical teacher
24 shortage certification or endorsement area;

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

26 (d) certified or endorsed in the critical teacher shortage certification or endorsement area corresponding
27 to the individual's primary classroom assignment as determined by the office of public instruction; and

28 (e) a graduate of an accredited higher education teacher preparation program, as recognized by the
29 board of public education, who has incurred debt from a federal loan program to complete the requirements for
30 a baccalaureate or master's degree necessary for teaching certification or endorsement in a critical teaching

1 shortage area. Eligible educational loans include all authorized federal educational loans, except federal PLUS
2 loans as provided in 20 U.S.C. 1078-2, and portions of loans that are eligible for repayment by other federal,
3 state, or local loan forgiveness, discharge, or repayment incentive programs.

4 (2) A teacher is eligible for the loan repayment assistance in the school year in which the teacher meets
5 the criteria in subsection (1). Eligibility for repayment assistance may continue for a maximum of 3 years if the
6 teacher retains the same teaching assignment or another eligible teaching assignment. A revision in the board
7 of public education's list of critical teacher shortage certification or endorsement areas under [section 3] may not
8 negate a teacher's eligibility after initial eligibility is determined.

9 (3) Between January 15 and April 15, each Montana teacher who is eligible for loan repayment
10 assistance under subsection (1) shall submit a request to the Montana guaranteed student loan program for loan
11 repayment assistance funds. The request must be made on a form prescribed by the Montana guaranteed
12 student loan program and must include documentation that the teacher meets the criteria established in
13 subsection (1) for the current school fiscal year. The form must be accompanied by official verification or proof
14 of the teacher's total unpaid, accumulated student loan debt in the first year of program eligibility along with other
15 required documentation necessary for the Montana guaranteed student loan program to issue a warrant to the
16 teacher's education lender or loan holder.

17 (4) The Montana guaranteed student loan program shall establish the loan repayment assistance
18 process to ensure the integrity of the program. The total amount of loan repayment assistance provided for an
19 eligible teacher may not exceed \$9,000. The amount contractually committed in a year may not exceed the
20 annual amount appropriated by the legislature.

21 (5) The total annual loan repayment assistance provided for any teacher in 1 year may not exceed the
22 lesser of 25% of the teacher's total unpaid, accumulated student loan debt in the first year of eligibility or \$3,000,
23 unless:

24 (a) the teacher is a recipient of other student loan repayment assistance from any other federal, state,
25 local, or private program and has a total accumulated student loan debt of less than \$9,000. If applicable, the
26 annual loan repayment assistance must be reduced by the total amount that the teacher has already received
27 and will receive from the other programs during the school year, beginning July 1.

28 (b) the teacher is the recipient of other student loan repayment assistance from any other federal, state,
29 local, or private program and has a total accumulated student loan debt of greater than \$9,000. The annual loan
30 repayment assistance may not exceed the lesser of:

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

3 (ii) \$3,000.

4 (6) This section may not be construed to require the Montana guaranteed student loan program to
5 provide loan repayment assistance to a qualifying teacher without an appropriation from the state. If the
6 appropriation for funding loan repayment assistance payments is less than the total amount for which Montana
7 teachers qualify, the Montana guaranteed student loan program shall give funding preference to teachers residing
8 in the regions specified by the board of public education under [section 3(3)]. After applying the required funding
9 preference, all other individual teacher loan repayments must be reduced in a manner that provides the same
10 percentage reduction of loan repayment assistance for each qualifying teacher.

11 (7) [Sections 1 through 4] may not be construed to provide loan repayment assistance for school years
12 prior to the 2007-2008 school year.

13 (8) For the purposes of this section, "federal loan program" means student educational loans authorized
14 by Title 20, Chapter 28, Subchapter IV, Part B, 20 U.S.C. 1071, et seq., Part C, 20 U.S.C. 1087a, et seq., and
15 Part D, 20 U.S.C. 1087aa, et seq.

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17 **NEW SECTION. Section 5. Codification instruction.** [Sections 1 through 4] are intended to be codified
18 as an integral part of Title 20, chapter 4, part 1, and the provisions of Title 20, chapter 4, part 1, apply to [sections
19 1 through 4].

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21 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2007.

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