

HOUSE BILL NO. 107  
INTRODUCED BY A. OLSON  
BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MAXIMUM OF \$12,000 IN STUDENT LOAN REPAYMENT ASSISTANCE FOR MONTANA TEACHERS WITH CERTIFICATION OR ENDORSEMENT TO TEACH IN CRITICAL TEACHER SHORTAGE CERTIFICATION OR ENDORSEMENT AREAS; REQUIRING THE BOARD OF PUBLIC EDUCATION TO CREATE AND MAINTAIN A LIST OF CRITICAL TEACHER SHORTAGE CERTIFICATION OR ENDORSEMENT AREAS; REQUIRING THE BOARD OF PUBLIC EDUCATION TO CREATE AND MAINTAIN A LIST OF SCHOOL DISTRICTS' ENROLLMENT SIZE GROUPS AND OF GEOGRAPHIC REGIONS WITHIN THE STATE THAT ARE EXPERIENCING CRITICAL TEACHER SHORTAGES; PROVIDING A PREFERENCE IN REPAYMENT ASSISTANCE FOR TEACHERS SERVING IN THOSE REGIONS MOST IMPACTED BY CRITICAL TEACHER SHORTAGES IF PROGRAM ELIGIBILITY EXCEEDS THE STATE APPROPRIATION; ESTABLISHING OTHER CRITERIA FOR LOAN REPAYMENT ELIGIBILITY; AND PROVIDING AN EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Legislative findings and intent.** (1) The legislature finds and declares that:

(a) a shortage of qualified teachers in specific subject areas and in certain geographical regions of the state will negatively impact the quality of education available to Montana students;

(b) the average student leaves college owing thousands of dollars in loans; and

(c) many graduates of Montana teacher education programs are actively recruited by out-of-state districts that offer higher-paying teaching positions and financial assistance for repaying student loans.

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

**NEW SECTION. Section 2. Teacher loan repayment assistance program.** Subject to a line item appropriation OR GRANT FUNDING SPECIFIED FOR THIS PURPOSE, the Montana guaranteed student loan program shall establish the Montana teacher loan repayment assistance program.

**NEW SECTION. Section 3. Critical teacher shortage areas.** (1) The board of public education, in consultation with the office of public instruction, shall create and maintain a list of critical teacher shortage certification or endorsement areas for the purposes of [sections 1 through 4].

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

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

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

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

(3) The board of public education, in consultation with the office of public instruction, shall create and maintain a list OF SCHOOL DISTRICTS' ENROLLMENT SIZE GROUPS AND of geographic regions within the state that are experiencing critical teacher shortages BASED ON THE DEMONSTRATED DEMAND BY MONTANA SCHOOL DISTRICTS FOR ADDITIONAL QUALIFIED TEACHERS. THIS LIST MUST BE USED IN ASSIGNING FUNDING PREFERENCES AS SPECIFIED IN [SECTION 4(6)].

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

(a) employed full-time by ONE OF THE FOLLOWING:

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

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

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

(iv) a state youth correctional facility, as defined in 41-5-103;

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

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

(d) certified or endorsed in the critical teacher shortage certification or endorsement area corresponding to the individual's primary classroom assignment AS DETERMINED BY THE OFFICE OF PUBLIC INSTRUCTION; and

(e) a graduate of an accredited higher education teacher preparation program, as recognized by the

board of public education, who has incurred debt from a federal loan program to complete the requirements for a baccalaureate or master's degree necessary for teaching certification or endorsement IN A CRITICAL TEACHER SHORTAGE AREA. Eligible educational loans include all authorized federal educational loans, except federal PLUS loans, as provided in 20 U.S.C. 1078-2, and portions of loans that are eligible for repayment by other federal, state, or local loan forgiveness, discharge, or repayment incentive programs.

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

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

(4) The Montana guaranteed student loan program shall establish the loan repayment assistance process to ensure the integrity of the program. The total amount of loan repayment assistance provided for an eligible teacher may not exceed \$12,000. The amount contractually committed in a year may not exceed the annual amount appropriated by the legislature.

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

(a) the teacher is a recipient of other student loan repayment assistance from any other federal, state, local, or private program and has a total, accumulated student loan debt of less than \$12,000. If applicable, the annual loan repayment assistance must be reduced by the total amount that the teacher has already received and will receive from the other programs during the school year, beginning July 1.

(b) the teacher is the recipient of other student loan repayment assistance from any other federal, state, local, or private program and has a total, accumulated student loan debt of greater than \$12,000. The annual loan

repayment assistance may not exceed the lesser of:

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

(ii) \$3,000.

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

(7) [Sections 1 through 4] may not be construed to provide loan repayment assistance for school years prior to the 2003-04 school year.

(8) A TEACHER WHO RECEIVES LOAN REPAYMENT ASSISTANCE UNDER THE PROVISIONS OF [SECTIONS 1 THROUGH 4] IS NOT ELIGIBLE FOR THE TEACHER SIGNING BONUS PROGRAM PROVIDED FOR IN [SENATE BILL NO. 267].

~~(8)~~(9) For the purposes of this section, "federal loan program" means student educational loans authorized by Chapter 28, Subchapter IV, Part B, 20 U.S.C. 1071, et seq., Part C, 20 U.S.C. 1087a, et seq., and Part D, 20 U.S.C. 1087aa, et seq.

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

**NEW SECTION. SECTION 6. COORDINATION INSTRUCTION. IF SENATE BILL NO. 267 IS NOT PASSED AND APPROVED, THEN [THIS ACT] IS VOID.**

**NEW SECTION. Section 7. Effective date.** [This act] is effective July 1, 2003.

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