Amend **HB 3851** (Senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION ____. Chapter 61, Education Code, is amended by adding Subchapter FF to read as follows:

SUBCHAPTER FF. TEXAS TEACH CORPS SCHOLARSHIP PROGRAM

Sec. 61.9831. SCHOLARSHIP PROGRAM; AMOUNT OF SCHOLARSHIP. (a) In accordance with this subchapter and board rules, the board shall establish and administer the Texas Teach Corps Scholarship Program to award scholarships to undergraduate students who:

(1) are enrolled in educator preparation programs provided by public or private institutions of higher education in this state; and

(2) agree to teach for a specified period in the public schools in this state that are determined by the Texas Education Agency to have shortages of teachers in academic subjects.

(b) The amount of a scholarship under this subchapter for an academic year is equal to the lesser of:

(1) the total amount of tuition that the public or private institution of higher education in which the scholarship recipient is enrolled charges the recipient for that academic year for semester credit hours for which the recipient may use the scholarship to pay tuition as provided by Subsection (c); or

(2) \$5,000.

(c) A student may use a scholarship under this subchapter only to pay tuition for a semester credit hour that is required for completion of the educator preparation program in which the student is enrolled.

(d) For purposes of this subchapter, not later than April 1 of each school year, the Texas Education Agency shall determine which public schools in this state are anticipated to have shortages of teachers during the following school year and shall provide that information to the board and to each educator preparation program in this state accredited by the State Board for Educator Certification. In making the determination required by this subsection, the agency shall consider the availability of teachers for only those subjects designated by agency rule as

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academic subjects. In making those designations, the agency may not consider athletics, physical education, art, or music, including band, as academic subjects.

Sec. 61.9832. ELIGIBILITY; LIMITATION ON NUMBER OF SCHOLARSHIPS. (a) To be eligible to receive a scholarship under this subchapter, a person must:

(1) have graduated from a high school in this state with an overall grade point average:

(A) of at least 3.0 on a four-point scale or the equivalent; and

(B) in the top 25 percent of the student's graduating class;

(2) be enrolled in an educator preparation program accredited by the State Board for Educator Certification that is provided by a public or private institution of higher education in this state; and

(3) enter into an agreement with the board as provided by Section 61.9833.

(b) Not more than 4,000 scholarships may be awarded under this subchapter for an academic year.

(b-1) This subsection expires September 1, 2011. Notwithstanding Subsection (b), not more than the following number of scholarships may be awarded under this subchapter for the specified academic year:

(1) for the 2008-2009 academic year, not more than 1,000 scholarships may be awarded;

(2) for the 2009-2010 academic year, not more than 2,000 scholarships may be awarded; and

(3) for the 2010-2011 academic year, not more than 3,000 scholarships may be awarded.

(c) If in any year the amount of money available for scholarships under this subchapter is insufficient to award a scholarship to each eligible applicant or if there are more eligible applicants than the number of scholarships authorized by this section, the board shall establish criteria to determine which eligible applicants will be granted scholarships as the board determines appropriate to further the purposes of this subchapter, including criteria that:

(1) are related to the financial need of an applicant;

and

(2) serve to ensure geographic and ethnic diversity among scholarship recipients.

Sec. 61.9833. AGREEMENT REQUIREMENTS. (a) To qualify for a scholarship under this subchapter, a person must enter into a written agreement with the board as provided by this section. The agreement must:

(1) specify the conditions the person must satisfy to receive the scholarship award;

(2) require the person to earn a baccalaureate degree through completion of an educator preparation program accredited by the State Board for Educator Certification that is provided by a public or private institution of higher education in this state;

(3) require the person to obtain, within the period prescribed by board rule, appropriate certification under Subchapter B, Chapter 21, to teach in a public school in this state;

(4) require the person to accept, for the first school year that begins after the date the person obtains the appropriate certification, an offer of full-time employment to teach in a public school in this state selected by the person from among schools anticipated by the Texas Education Agency to have shortages of teachers in academic subjects for that first school year for which the person is accepting employment;

(5) require the person to complete eight years of full-time employment teaching as follows:

(A) beginning with the school year described by Subdivision (4), four consecutive school years of employment teaching in one or more public schools in this state selected by the person from among schools anticipated by the Texas Education Agency to have shortages of teachers in academic subjects for the person's applicable year of employment by the school; and

(B) beginning with the school year immediately following the last of the four consecutive school years described by Paragraph (A), four additional consecutive school years teaching in any public school in this state; (6) provide that any scholarship award the person receives under this subchapter constitutes an interest-free loan until the person:

(A) subject to Section 61.9835, satisfies the requirements of Subdivision (5) and any other applicable conditions of the agreement; or

(B) is excused from the repayment obligation in accordance with law; and

(7) require the person to sign a promissory note acknowledging the conditional nature of the scholarship award received and promising to repay any unforgiven amount of that award and reasonable collection costs if the person does not satisfy the applicable conditions and is not excused from the repayment obligation in accordance with law.

(b) To satisfy the teaching obligation prescribed by an agreement under this section, a person must teach an academic subject for not less than four hours each school day. For purposes of this subsection, an academic subject is a subject designated as such under Texas Education Agency rule as provided by Section 61.9831(d).

(c) For purposes of Subsection (a)(5)(A), if a person is employed as a teacher in a public school anticipated to have a shortage of teachers in academic subjects in the first year of employment, each subsequent year of continuous employment as a teacher in that school is considered to be employment in a school anticipated to have such a shortage of teachers in that subsequent year, regardless of whether the Texas Education Agency anticipated that the school would have a shortage of teachers in that year.

(d) The board shall determine the terms of the promissory note required by Subsection (a)(7). To the extent practicable, the terms must be the same as those applicable to state or federally guaranteed student loans made at the same time.

Sec. 61.9834. EXCEPTIONS TO TEACHING AND REPAYMENT OBLIGATIONS. (a) A person is not considered to be in violation of the teaching obligation in the agreement described by Section 61.9833 during any period in which the person:

(1) is pursuing a full-time course of study related to

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the field of teaching offered by a public or private institution of higher education in this state and approved by the State Board for Educator Certification;

(2) is serving on active duty as a member of the armed forces of the United States, including as a member of a reserve force or National Guard called to active duty;

(3) is temporarily totally disabled for a period not to exceed 36 months as established by the affidavit of a qualified physician;

(4) is unable to secure employment for a period not to exceed 12 months because of care required by a disabled spouse or child;

(5) is seeking and unable to find, for a single period not to exceed 12 months, full-time employment teaching in a public school in this state, or if the person is within the period of the agreement described by Section 61.9833(a)(5)(A), full-time employment teaching in a public school in this state anticipated to have a shortage of teachers in academic subjects for the year for which the person is seeking employment; or

(6) satisfies the provisions of any other teaching exception adopted by the board.

(b) A person is excused from the repayment obligation in a promissory note described by Section 61.9833 if:

(1) the person becomes permanently totally disabled as established by the affidavit of a qualified physician; or

(2) the board waives repayment in the case of extreme hardship to the person.

Sec. 61.9835. FORGIVENESS OF REPAYMENT OBLIGATION. The board shall forgive 25 percent of the total amount of a person's scholarship awards under this subchapter for each complete school year the person teaches in accordance with the agreement under Section 61.9833 after the expiration of the period described by Subsection (a)(5)(A) of that section.

Sec. 61.9836. GRANTS, GIFTS, AND DONATIONS. In addition to money appropriated by the legislature, the board may solicit and accept grants, gifts, and donations from any public or private source for the purposes of this subchapter. Sec. 61.9837. RULES. (a) The board shall adopt rules to administer this subchapter, including rules:

(1) providing for the manner in which a student may apply for a scholarship; and

(2) providing for notification of the scholarship program under this subchapter to students enrolled in educator preparation programs in this state.

(b) The board shall distribute to each educator preparation program of a public or private institution of higher education in this state a copy of the rules adopted under this section.

SECTION ____. Not later than December 31, 2007, the Texas Higher Education Coordinating Board and the Texas Education Agency shall adopt rules for the Texas Teach Corps Scholarship Program under Subchapter FF, Chapter 61, Education Code, as added by this Act.