

BILL ANALYSIS

C.S.S.B. 1488
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Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, there is no program established to provide scholarships to college students who agree to teach in public schools in this state in areas that have teacher shortages. A scholarship program is needed to address the high cost of higher education for those pursuing a career as an educator and to promote teaching in areas with shortages of public school teachers.

C.S.S.B. 1488 creates the Texas Teach Corps Student Loan Repayment Assistance Program for students who teach in public schools in this state in areas that have teacher shortages in academic subjects.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.9840, Education Code) of this bill.

Rulemaking authority is expressly granted to the Texas Education Agency in SECTION 1 (Section 61.9834, Education Code) of this bill.

SECTION 2 requires the Texas Higher Education Coordinating Board and the Texas Education Agency to adopt these rules by December 1, 2007.

ANALYSIS

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter FF, as follows:

SUBCHAPTER FF. TEXAS TEACH CORPS STUDENT LOAN REPAYMENT ASSISTANCE PROGRAM

Sec. 61.9831. **TEXAS TEACH CORPS PROGRAM; LOAN REPAYMENT ASSISTANCE AUTHORIZED.** (a) Requires the Texas Higher Education Coordinating Board (coordinating board) to establish and administer the Texas Teach Corps student loan repayment assistance program (program).

(b) Authorizes the coordinating board, under the program in accordance with this subchapter and board rules, to provide assistance in the repayment of eligible student loans for eligible persons employed as full-time teachers teaching academic subjects in public schools in this state that are determined by the Texas Education Agency (TEA) to have a shortage of teachers in academic subjects.

Sec. 61.9832. **ELIGIBILITY.** (a) Sets forth the requirements for a person to be eligible to receive a scholarship under this subchapter.

(b) Provides, for purposes of Subsection (a)(6), 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 employed in a school anticipated to have such a shortage of teachers in that subsequent year, regardless of whether the TEA anticipated that the school would have a shortage of teachers in that year.

Sec. 61.9833. AMOUNT OF ASSISTANCE; APPLICATION. (a) Allows the coordinating board to provide assistance for the repayment of a portion of an eligible person's eligible loans for the first school year of employment and each following consecutive school year of employment as described by Section 61.9832, not to exceed a total of eight years. Prohibits the coordinating board from providing assistance for any year in which the person is not employed as authorized by Section 61.9835.

(b) Provides that, subject to the availability of funding under Section 61.9838 and except as otherwise provided by this subsection, if the coordinating board provides loan repayment assistance under this subchapter, the amount of an assistance payment provided under this subchapter in any year to an eligible person is \$5,000. Requires the coordinating board to increase that amount as necessary to adjust for inflation or, as determined necessary by the coordinating board, on the basis of other relevant considerations. Requires the coordinating board to reduce the amount of an assistance payment or refrain from making an assistance payment to an eligible person as necessary to avoid making total assistance payments under this subchapter to the person in an amount greater than the total amount of principal and interest due on the person's eligible loans.

(c) Requires a person to apply for loan repayment assistance each year that the person seeks that assistance under this subchapter.

Sec. 61.9834. DETERMINATION OF SCHOOLS ANTICIPATED TO HAVE TEACHER SHORTAGE. (a) Requires the TEA, for purposes of this subchapter, not later than April 1 of each school year, to determine which public schools in this state are anticipated to have a shortage of teachers during the following school year and to provide that information to the coordinating board and to each educator preparation program in this state accredited by the State Board for Educator Certification.

(b) Requires the TEA, in making the determination required by Subsection (a), to consider the availability of teachers for only those subjects designated by agency rule as academic subjects. Prohibits the TEA from considering athletics, physical education, art, or music, including band, as academic subjects in making those designations.

Sec. 61.9835. EXCEPTION TO CONSECUTIVE YEARS OF EMPLOYMENT REQUIREMENT. Requires the coordinating board to excuse an otherwise eligible person from the requirement imposed by Section 61.9832 that the employment be performed in consecutive years if the break in employment is a result of certain causes.

Sec. 61.9836. ELIGIBLE LOANS. (a) Allows the coordinating board to provide under this subchapter repayment assistance for the repayment of any student loan that meets certain requirements.

(b) Requires the note or other writing governing the terms of the loan to require the loan proceeds to be used for expenses incurred by a person in attending a public or private institution of higher education if the loan is not a state or federal guaranteed student loan.

(c) Prohibits the coordinating board from providing loan repayment assistance under this subchapter for a student loan that is in default at the time of the classroom teacher's application for repayment assistance.

Sec. 61.9837. PAYMENT OF ASSISTANCE. (a) Requires the coordinating board to pay any loan repayment assistance under this subchapter in a lump sum payable to the holder of the loan and the eligible person, in accordance with any applicable federal law.

(b) Allows loan repayment assistance provided under this subchapter to be applied to any amount due on the loan.

(c) Allows the coordinating board to grant prior conditional approval of loan repayment assistance if a person establishes eligibility under Sections 61.9832(a)(1), (2), and (3) and may reserve money to be disbursed on completion of one or more years of employment as required by the other provisions of Section 61.9832.

(d) Requires the coordinating board, each state fiscal biennium, to attempt to allocate all money available to the coordinating board for the purpose of providing loan repayment assistance under this subchapter.

Sec. 61.9838. FUNDING. Allows the coordinating board, in addition to money appropriated by the legislature for purposes of this subchapter, to solicit and accept gifts, grants, and donations from any public or private entity for purposes of this subchapter.

Sec. 61.9839. TOTAL AMOUNT OF LOAN REPAYMENT ASSISTANCE UNDER PROGRAM. Prohibits the total amount of loan repayment assistance paid by the coordinating board under this subchapter from exceeding the total amount of money available under Section 61.9838 for that purpose and any other money that the board is legally authorized to use for purposes of this subchapter.

Sec. 61.9840. RULES. Requires the coordinating board, if it provides loan repayment assistance under this subchapter, to adopt rules necessary for the administration of this subchapter, including a rule providing for the manner in which a person may apply for repayment assistance and to distribute to each educator preparation program approved by the State Board for Educator Certification offered by a public or private institution of higher education in this state a copy of the rules adopted under this section.

SECTION 2. Requires the coordinating board and the TEA to adopt rules for the Texas Teach Corps student loan repayment assistance program under Subchapter FF, Chapter 61, Education Code, as added by this Act, not later than December 31, 2007.

SECTION 3. Effective date.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE:

The substitute makes the program a loan repayment program rather than a loan forgiveness program by making the following changes.

The substitute replaces Sec. 61.9831, Education Code, (Scholarship program; amount of scholarship.) of the original bill with Sec. 61.9831, Education Code, (Texas Teach Corps program; loan repayment assistance authorized.) in SECTION 1 of the bill.

The substitute replaces Sec. 61.9832, Education Code, (Eligibility; limitation on number of scholarships.) of the original bill with Sec. 61.9832, Education Code, (Eligibility.) in SECTION 1 of the bill.

The substitute replaces Sec. 61.9833, Education Code, (Agreement requirements.) of the original bill with Sec. 61.9833, Education Code, (Amount of assistance; application.) in SECTION 1 of the bill.

The substitute replaces Sec. 61.9834, Education Code, (Exceptions to teaching and repayment obligations.) of the original bill with Sec. 61.9834, Education Code, (Determination of schools anticipated to have teacher shortage.) in SECTION 1 of the bill.

The substitute replaces Sec. 61.9835, Education Code, (Forgiveness of repayment obligation.) of the original bill with Sec. 61.9835, Education Code, (Exception to consecutive years of employment requirement.) in SECTION 1 of the bill.

The substitute replaces Sec. 61.9836, Education Code, (Grants, gifts, and donations.) of the original bill with Sec. 61.9836, Education Code, (Eligible loans.) in SECTION 1 of the bill.

The substitute adds Sec. 61.9837, Education Code, (Payment of assistance.) to SECTION 1 of the bill.

The substitute adds Sec. 61.9838, Education Code, (Funding.) to SECTION 1 of the bill.

The substitute adds Sec. 61.9839, Education Code, (Total amount of loan repayment assistance under program.) to SECTION 1 of the bill.

The substitute adds Sec. 61.9840, Education Code, (Rules.) to SECTION 1 of the bill.