

AMENDED IN SENATE APRIL 2, 2014

SENATE BILL

No. 1264

Introduced by Senator Pavley

February 21, 2014

An act to ~~amend Section 69612.5 of~~ *add Article 7.7 (commencing with Section 69630) to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code*, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 1264, as amended, Pavley. Student financial aid: ~~Assumption Program of Loans for Education~~. *Educator Excellence Program loan assumption agreements*.

Existing law establishes the Assumption Program of Loans for Education, administered by the Student Aid Commission, under which any person enrolled in a participating institution of postsecondary education, or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher if he or she satisfies certain conditions.

Existing law requires the applicant to agree, among other things, to teach full time for at least 4 consecutive academic years or on a part-time basis the equivalent of 4 consecutive academic years at an eligible school. Existing law defines "eligible school" to mean, among other things, a school that is ranked in the lowest 2 deciles on the Academic Performance Index, a measure of the performance of schools and school districts.

This bill would ~~amend the definition of "eligible school" to mean, among other things, a school that is ranked in the lowest 3 deciles on~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 SECTION 1. Article 7.7 (commencing with Section 69630) is
2 added to Chapter 2 of Part 42 of Division 5 of Title 3 of the
3 Education Code, to read:

69630. (a) *The Legislature finds and declares all of the following:*

(3) *Despite the layoffs that appear to create a surplus of teachers, teacher shortages continue to exist. Current shortages are in fields such as special education, mathematics, physical science and bilingual education/English language development, as well as in many high-poverty schools. Through economic conditions, student preferences, and changes in expectations in the teaching profession, teacher shortage areas change over time.*

1 (4) *Huge educational and financial costs of more than \$7 billion*
2 *per year nationally are associated with replacing teachers and*
3 *leaders who leave schools prematurely.*

4 (5) *There is a crisis in the preparation of special education*
5 *teachers, who comprise the majority of underprepared teachers.*
6 *The most important factor in serving special education students*
7 *well is the knowledge and skills of their teachers. Without sufficient*
8 *training and certification in the field of special education, costs*
9 *increase as other services are added to compensate for inadequate*
10 *instruction.*

11 (6) *Through the Educator Excellence Program (EEP), the state*
12 *could better meet its educational needs by providing the*
13 *opportunity for financial assistance to qualified educators who*
14 *will serve California's students in shortage fields, as determined.*
15 *Particularly in the area of special education, this investment will*
16 *reap huge benefits in better-served students who will have a much*
17 *lower need for remediation and other services, and a lower rate*
18 *of grade retention.*

19 (7) *In an effort to decrease the achievement gap and support*
20 *all students in becoming ready for college and career, California*
21 *should provide financial support to qualified persons seeking a*
22 *specialized and focused content area master's degree in education*
23 *or teaching and National Board Certification to increase the*
24 *number of highly qualified and competent teachers teaching in*
25 *California's lowest performing elementary and secondary schools.*

26 (8) *National Board for Professional Teaching Standards*
27 *certification is the most widely recognized certificate of educator*
28 *excellence.*

29 (b) *The Commission on Teacher Credentialing (CTC), in*
30 *consultation with the department, shall conduct a thorough study*
31 *at least every three years, as determined by the Superintendent,*
32 *to determine priority areas for EEP loan assumption agreements.*
33 *This study will identify areas of greatest need and award EEP loan*
34 *assumption agreements based on specific criteria. This study will*
35 *include the following:*

36 (1) *A list of teaching fields that have the most critical shortages*
37 *of teachers, as defined. The Superintendent shall review this list*
38 *at least every three years and revise the list based on the most*
39 *current study conducted by the CTC, in accordance with*
40 *subdivision (b). The list of areas of teacher shortage furnished*

1 *pursuant to this subdivision shall include the state special schools*
2 *as a category separate from special education.*

3 *(2) A list of schools that serve a large population of pupils from*
4 *low-income families, as designated for purposes of the federal*
5 *Perkins loan program, or according to standards that the*
6 *Superintendent deems appropriate.*

7 *(3) A list of schools with a high percentage of teachers holding*
8 *emergency-type permits. The list shall be established according*
9 *to criteria determined by the Superintendent.*

10 *(4) A list of schools serving rural areas.*

11 *(5) A list of the lowest performing and hardest to staff schools.*

12 *(6) A list of high-priority schools.*

13 *(7) Other information as determined by the Superintendent.*

14 *(c) Annual EEP loan forgiveness awards will be determined*
15 *based on the most current study conducted by the CTC under these*
16 *provisions.*

17 *(d) It is the intent of the Legislature that the EEP be designed*
18 *to accomplish both of the following:*

19 *(1) Provide outstanding postsecondary students, particularly*
20 *economically disadvantaged students, with financial assistance to*
21 *encourage them to complete postsecondary education programs*
22 *leading to teaching credentials.*

23 *(2) Provide veteran teachers with financial assistance to*
24 *encourage them to pursue additional teaching or content area*
25 *authorizations and credentials, a specialized and focused content*
26 *area master's degree in an education or teaching subject matter*
27 *area other than education administration, or National Board*
28 *Certification. EEP recipients shall agree to teach in the lowest*
29 *performing, hardest to staff schools or designated subject-matter*
30 *shortage areas, based on the most current study conducted by the*
31 *CTC under these provisions.*

32 *(e) The Superintendent shall convene a working group at least*
33 *every three years to establish priorities, based on the most current*
34 *study completed by the CTC. EEP awards shall be authorized*
35 *consistent with the program goals, targeting high-need,*
36 *low-performing schools and districts in accordance with current*
37 *Assumption Program of Loans for Education program regulations*
38 *and governing federal law and regulations including, but not*
39 *necessarily limited to, paragraph (6) of subdivision (g) of Section*

1 682.210 of Title 34 of the Code of Federal Regulations, relating
2 to the targeted deferment of student loan payments.

3 69631. (a) The Educator Excellence Program (EEP) is hereby
4 established under the administration of the Student Aid
5 Commission.

6 (b) An EEP participant shall meet all of the following eligibility
7 criteria prior to selection for the program, and shall continue to
8 meet these criteria, as appropriate, during the payment periods:

9 (1) For participants enrolled in postsecondary education
10 programs leading to initial teaching credentials, the applicant has
11 completed at least 60 semester units, or the equivalent, and is
12 enrolled in an academic program leading to a baccalaureate
13 degree at an eligible institution, or has been admitted to a program
14 of professional preparation that has been approved by the
15 Commission on Teacher Credentialing. Qualified candidates from
16 another state who have received an equivalent credential,
17 authorizing service for kindergarten or any of grades 1 to 12,
18 inclusive, as determined by the Superintendent, may also be
19 considered for participation in the EEP.

20 (2) For participants enrolled in postsecondary education
21 programs leading to a qualifying master's degree in education or
22 teaching, National Board Certification, or an additional
23 authorization or credential, applicants shall meet similar
24 requirements consistent with enrollment in these graduate degree
25 and postcertification programs.

26 (3) For participants enrolled in postsecondary education
27 programs leading to initial or additional teaching credentials, the
28 applicant has agreed to teach full time for at least four consecutive
29 academic years, or on a part-time basis for the equivalent of four
30 full-time academic years, in a subject area that is designated as
31 a current or projected area of teacher shortage by the
32 Superintendent on the date the teacher is hired by a school district
33 that has qualified for a local control funding formula concentration
34 grant pursuant to Section 42238.02, and according to qualifying
35 criteria set forth by the Superintendent.

36 (4) For participants enrolled in postsecondary education
37 programs leading to a qualifying master's degree in education or
38 teaching, or National Board Certification, the applicant shall have
39 earned a California Professional Clear Teaching Credential or
40 equivalent credential from another state, be a practicing educator,

1 and agree to teach full time for at least four consecutive academic
2 years, or on a part-time basis for the equivalent of four full-time
3 academic years, in a school district that has qualified for a local
4 control funding formula concentration grant pursuant to Section
5 42238.02, and according to qualifying criteria set forth by the
6 Superintendent.

7 (5) The terms of service for each participant in the EEP are to
8 be established as of the year the participant enters into the
9 program. Participants in the EEP must fully and completely satisfy
10 the requirements of the program within six years of the enrollment
11 date. EEP participants who do not fulfill the terms of service and
12 who do not satisfy their teaching requirements within six years of
13 entering the program must fully repay the State of California all
14 funds awarded them for loan assumptions resulting from their
15 participation in the program.

16 69632. In the academic years in which the study is completed
17 by the Commission on Teacher Credentialing, in consultation with
18 the department, pursuant to subdivision (b) of Section 69630, the
19 Superintendent shall develop priority areas for EEP awards, on
20 or before January 1 of that academic year, which shall be based
21 on the study findings. The Student Aid Commission shall provide
22 EEP loan forgiveness awards as determined by the Superintendent.

23 69633. The Student Aid Commission shall commence loan
24 assumption payments, as specified in Section 69634, upon
25 verification that the applicant is qualified based on the following:

26 (a) The EEP participant has received a California preliminary
27 credential, or an equivalent credential from another state,
28 authorizing service for kindergarten or any of grades 1 to 12,
29 inclusive, in an area of teacher shortage as determined by the
30 Superintendent pursuant to Section 69631.

31 (b) The EEP participant has received a qualifying master's
32 degree in education or teaching, National Board Certification, or
33 additional teaching credential in an area of teacher shortage as
34 defined by the Superintendent pursuant to Section 69631.

35 (c) The applicant has met the requirements of the agreement
36 and all other pertinent conditions of this chapter.

37 69634. (a) The terms of a loan assumption granted under this
38 article shall be as follows, subject to the specific terms of each
39 agreement:

1 (1) After a program participant has completed one school year
2 of classroom instruction, verified pursuant to Section 69633, the
3 commission shall assume up to two thousand dollars (\$2,000) of
4 the participant's outstanding liability under one or more of the
5 designated educational loan programs.

6 (2) After a program participant has completed two consecutive
7 school years of instruction, the commission shall assume up to an
8 additional three thousand dollars (\$3,000) of the participant's
9 outstanding liability under one or more of the designated
10 educational loan programs, for a total loan assumption of up to
11 five thousand dollars (\$5,000).

12 (3) After a program participant has completed three consecutive
13 school years of teaching service, the commission shall assume up
14 to a maximum of an additional three thousand dollars (\$3,000) of
15 the participant's outstanding liability under one or more of the
16 designated educational loan programs, for a total loan assumption
17 of up to eight thousand dollars (\$8,000).

18 (4) After a program participant has completed four consecutive
19 school years of teaching service, the commission shall assume up
20 to a maximum of an additional three thousand dollars (\$3,000) of
21 the participant's outstanding liability under one or more of the
22 designated educational loan programs, for a total loan assumption
23 of up to eleven thousand dollars (\$11,000).

24 (b) For purposes of this section, "school year" means at least
25 175 school days or its equivalent.

26 (c) An applicant who teaches on less than a full-time basis may
27 participate in the program, but shall not be eligible for loan
28 repayment until that person teaches for the equivalent of a full-time
29 academic year.

30 69635. The Superintendent shall develop priority areas for
31 EEP awards at least every three years, as determined by the
32 Superintendent, based on the most current study conducted by the
33 Commission on Teaching Credentialing to determine areas of
34 critical need in the teaching profession. The State Department of
35 Education shall solicit the advice of representatives from
36 postsecondary education institutions, the Commission on Teacher
37 Credentialing, school districts, and county offices of education
38 regarding proposed rules and regulations.

1 69636. (a) For the EEP, the Student Aid Commission shall
2 report annually to the Governor and the Legislature regarding all
3 of the following, on the basis of sex, age, and ethnicity:

4 (1) The total number of program participants.

5 (2) The number of agreements entered into with juniors, seniors,
6 students enrolled in teacher training programs, and current
7 teachers who enroll in qualifying master's degree in education or
8 teaching or National Board Certification programs.

9 (3) The number of participants who agree to teach in an area
10 of teacher shortage.

11 (4) The number of participants who agree to teach in schools
12 with a high ratio of pupils from low-income families and in schools
13 that have been designated as the lowest performing or hardest to
14 staff.

15 (5) The number of participants who agree to teach in schools
16 serving rural areas.

17 (6) The number of participants who receive a loan assumption
18 benefit, classified by payment year.

19 (7) The number of out-of-state teachers who enter into
20 agreements.

21 (8) The number of participants who have participated in teacher
22 internship programs, classified by school district or county office
23 of education.

24 (9) The number of participants who agree to teach in schools
25 with a high percentage of students with disabilities or language
26 minority students.

27 (b) The Superintendent shall use the data reported pursuant to
28 subdivision (a), and other information and factors, in meeting the
29 requirements of Section 69635.

30 69637. For each school year, the Student Aid Commission
31 shall enter into agreements for the assumption of up to 6,500
32 student loans for program participants eligible under this chapter.

33 69638. It is the intent of the Legislature that the Educator
34 Excellence Program be fully funded commencing with the Budget
35 Act of 2015. Notwithstanding any other law, in any fiscal year,
36 the Student Aid Commission shall award no more than the number
37 of loan assumption agreements that are authorized by the Governor
38 and the Legislature in the annual Budget Act for that year for the
39 assumption of loans pursuant to this article.

1 ~~SECTION 1. Section 69612.5 of the Education Code is amended~~
2 ~~to read:~~

3 ~~69612.5. For purposes of this article, the following terms have~~
4 ~~the following definitions:~~

5 ~~(a) “Eligible institution” means a postsecondary institution that~~
6 ~~is determined by the Student Aid Commission to meet both of the~~
7 ~~following requirements:~~

8 ~~(1) The institution is eligible to participate in state and federal~~
9 ~~financial aid programs:~~

10 ~~(2) The institution maintains a program of professional~~
11 ~~preparation that has been approved by the Commission on Teacher~~
12 ~~Credentialing:~~

13 ~~(b) “Eligible school” means a school that meets any of the~~
14 ~~following criteria:~~

15 ~~(1) It serves a large population of pupils from low-income~~
16 ~~families, as designated by the Superintendent.~~

17 ~~(2) The institution has 20 percent or more teachers holding~~
18 ~~emergency-type permits including, but not limited to, any of the~~
19 ~~following:~~

20 ~~(A) Provisional internships:~~

21 ~~(B) Short-term staff permits:~~

22 ~~(C) Credential waivers:~~

23 ~~(D) Substitute permits:~~

24 ~~(3) It is a school that is ranked in the lowest three deciles on the~~
25 ~~Academic Performance Index:~~

26 ~~(4) It is a school that serves a rural area:~~