

AMENDED IN SENATE MARCH 18, 2015

SENATE BILL

No. 62

Introduced by Senator Senators Pavley, Block, and Huff
(Coauthors: Senators Hertzberg, Vidak, and Wieckowski)
(Coauthors: Assembly Members Chu, Dodd, Cristina Garcia, Olsen,
and Rodriguez)

December 30, 2014

An act to ~~add and repeal Section 69615.9~~ amend Sections 69612, 69612.5, 69613, 69613.1, 69615.4, 70000, and 70001 of, to add Sections 69615.5, 69615.9, 70006, 70007, and 70008 to, to repeal Section 69613.8 of, and to repeal and add Section 69613.7 of, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 62, as amended, Pavley. Student financial aid: Assumption Program of Loans for ~~Education~~. *Education: Governor's Teaching Fellowships Program.*

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.

This bill would among other things, require a program participant to teach in a teaching field with a critical shortage of teachers and to demonstrate financial need, revise the information that the

Superintendent is required to furnish to the commission annually regarding the program, and make conforming changes.

Existing law establishes the Governor’s Teaching Fellowships Program to be administered by the Chancellor’s office of the California State University. The program requires the chancellor to collaborate with the University of California, the California Community Colleges, the Association of Independent California Colleges and Universities, the State Department of Education, and the Commission on Teacher Credentialing to ensure that access to the fellowships is available to students in a variety of teaching preparation programs, and defines a “high-priority school” for purposes of implementation and administration of the program.

This bill would remove the State Department of Education and add the Superintendent of Public Instruction and the California Student Aid Commission to the list of entities which with the chancellor is required to collaborate, and would change the definition of “high-priority school” for these purposes, as specified.

The bill would prohibit a person from participating in the Assumption Program of Loans for Education and the Governor’s Teaching Fellowships Program concurrently, and would require both programs to continue to be implemented as they read on January 1, 2015, for purposes of collecting payments from former program participants required to repay costs as of January 1, 2016, for failing to satisfy the requirements for participation.

~~Existing law requires the Student Aid Commission to make an annual report to the Legislature that includes specified information about program participants.~~

~~This bill would require the State Department of Education, in conjunction with the Student Aid Commission, to report to the Legislature on or before January 1, 2017, on the need for the program, any modifications that may be needed to improve the program’s effectiveness in increasing the supply of high-quality teachers for high-needs and low-performing schools, and the need to establish new recruitment and financial aid programs to accomplish that objective.~~

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

The people of the State of California do enact as follows:

1 *SECTION 1. Section 69612 of the Education Code is amended*
2 *to read:*

3 69612. (a) The Legislature finds and declares all of the
4 following:

5 (1) The growing shortage of high-quality teachers is most serious
6 in particular subject areas, partly due to the shortage of students
7 in these fields who enter the teaching profession.

8 (2) Many school districts have difficulty recruiting and retaining
9 high-quality teachers for ~~schools ranked in decile 1 or 2 on the~~
10 ~~Academic Performance Index, for pupils with special needs, for~~
11 ~~schools serving rural areas or large populations of pupils from~~
12 ~~low-income and linguistic minority families, and for schools with~~
13 ~~a high percentage of teachers holding emergency-type permits.~~

14 (3) The rising costs of higher education, coupled with a shift in
15 available financial aid from scholarships and grants to loans, make
16 the availability of financial aid and loan repayment assistance
17 options an important consideration in a student's decision to pursue
18 a postsecondary education.

19 (b) It is, therefore, the intent of the Legislature that the
20 Assumption Program of Loans for Education be designed to
21 provide ~~veteran teachers and~~ outstanding postsecondary students,
22 particularly economically disadvantaged students, with the
23 assurance of financial assistance to encourage them to complete
24 postsecondary education programs leading to teaching credentials,
25 and to seek employment as teachers in designated subject-matter
26 shortage areas or in schools serving a large population of pupils
27 from ~~low-income families, families or~~ schools with a high
28 percentage of teachers holding emergency-type ~~permits, or schools~~
29 ~~ranked in the lowest two deciles on the Academic Performance~~
30 ~~Index.~~ *permits.*

31 *SEC. 2. Section 69612.5 of the Education Code is amended to*
32 *read:*

33 69612.5. For purposes of this article, the following terms have
34 the following definitions:

35 (a) "Eligible institution" means a postsecondary institution that
36 is determined by the Student Aid Commission to meet both of the
37 following requirements:

1 (1) The institution is eligible to participate in state and federal
2 financial aid programs.

3 (2) The institution maintains a program of professional
4 preparation that has been approved by the Commission on Teacher
5 Credentialing.

6 (b) “Eligible school” means a school that meets any of the
7 following criteria:

8 ~~(1) It serves a large population of pupils from low-income~~
9 ~~families, as designated by the Superintendent of Public Instruction~~
10 ~~qualifies for funding under Section 11(a)(1)(F) of the Richard B.~~
11 ~~Russell National School Lunch Act (42 U.S.C. Sec. 1759a~~
12 ~~(a)(1)(F)).~~

13 (2) The institution has 20 percent or more teachers holding
14 emergency-type permits including, but not limited to, any of the
15 following:

16 (A) Provisional internships.

17 (B) Short-term staff permits.

18 (C) Credential waivers.

19 (D) Substitute permits.

20 ~~(3) It is a school that is ranked in the lowest two deciles on the~~
21 ~~Academic Performance Index.~~

22 ~~(4)~~

23 (3) It is a school that serves a rural area.

24 SEC. 3. Section 69613 of the Education Code is amended to
25 read:

26 69613. (a) Program participants shall meet all of the following
27 eligibility criteria prior to selection in the program and shall
28 continue to meet these criteria, as appropriate, during the payment
29 periods:

30 (1) The applicant has completed at least 60 semester units, or
31 the equivalent, and is enrolled in an academic program leading to
32 a baccalaureate degree at an eligible institution, has agreed to
33 participate in a teacher internship program, or has been admitted
34 to a program of professional preparation that has been approved
35 by the Commission on Teacher Credentialing.

36 (2) The applicant is currently enrolled in, or has been admitted
37 to, a program in which he or she will be enrolled on at least a
38 half-time basis, as determined by the participating institution. The
39 applicant shall agree to maintain satisfactory academic progress

1 and a minimum of half-time enrollment, as defined by the
2 participating eligible institution.

3 (A) Except as provided in subparagraphs (B) and (C), if a person
4 participating in the program fails to maintain at least half-time
5 enrollment, as required by this article, under the terms of the
6 agreement pursuant to paragraph (2), the loan assumption
7 agreement shall be invalidated and the participant shall retain full
8 liability for all student loan obligations. This subparagraph shall
9 not apply if the participant is in his or her final semester or quarter
10 in school and has no additional coursework required to obtain his
11 or her teaching credential.

12 (B) Notwithstanding subparagraph (A), if a program participant
13 is unable to maintain at least half-time enrollment due to serious
14 illness, pregnancy, or other natural causes, or is called to active
15 military duty status, the participant is not required to retain full
16 liability for the student loan obligation for a period not to exceed
17 one calendar year, unless approved by the commission for a longer
18 period.

19 (C) If a natural disaster prevents a program participant from
20 maintaining at least half-time enrollment due to the interruption
21 of instruction at the eligible institution, the term of the loan
22 assumption agreement shall be extended for a period not to exceed
23 one calendar year, unless approved by the commission for a longer
24 period.

25 (3) The applicant has been judged by his or her postsecondary
26 institution, school district, or county office of education to have
27 outstanding ability on the basis of criteria that may include, but
28 need not be limited to, any of the following:

29 (A) Grade point average.

30 (B) Test scores.

31 (C) Faculty evaluations.

32 (D) Interviews.

33 (E) Other recommendations.

34 (4) The applicant has received, or is approved to receive, a loan
35 ~~under one or more of the following designated loan programs:~~

36 ~~(A) The Federal Family Education Loan Program (20 U.S.C.~~
37 ~~Sec. 1071 et seq.).~~

38 ~~(B) Any educational loan from a program approved by the~~
39 ~~Student Aid Commission.~~

1 (5) The applicant has agreed to teach full time for at least four
2 consecutive academic years, or on a part-time basis for the
3 equivalent of four full-time academic years, after obtaining a
4 teaching credential in a public elementary or secondary school in
5 this state, in a subject area that is designated as a current or
6 projected shortage area by the Superintendent of Public Instruction,
7 or, on the date the teacher is hired, at an eligible school.

8 (6) *The applicant has demonstrated financial need.*

9 (7) *The applicant will be teaching in a shortage area, as*
10 *determined by the Superintendent of Public Instruction pursuant*
11 *to subdivision (a) of Section 69613.1.*

12 (b) An agreement shall remain valid even if the subject area
13 under which an applicant becomes eligible to enter into an
14 agreement ceases to be a designated shortage field by the time the
15 applicant becomes a teacher.

16 (c) For the purposes of calculating eligible years of teaching for
17 the redemption of an award, the inclusion by the Superintendent
18 of Public Instruction of a school on a list prepared pursuant to
19 Section 69613.1 shall apply retroactively from the date the school
20 first opened.

21 (d) A person participating in the program pursuant to this section
22 shall not enter into more than one agreement.

23 (e) A person participating in the program pursuant to this section
24 shall not owe a refund on any state or federal educational grant or
25 have defaulted on any student loan.

26 ~~(f) Notwithstanding any other provision of this section, a~~
27 ~~credentialed teacher teaching in a public school ranked in the~~
28 ~~lowest two deciles on the Academic Performance Index pursuant~~
29 ~~to Section 52052, possesses a clear multiple subject or single~~
30 ~~subject teaching credential or level II education specialist credential~~
31 ~~and who has not otherwise participated in the program established~~
32 ~~by this article, is eligible to enter into an agreement for loan~~
33 ~~assumption pursuant to this article. The number of loan assumption~~
34 ~~agreements provided pursuant to this subdivision shall not exceed~~
35 ~~400 per year. The commission shall develop and adopt regulations~~
36 ~~for the implementation of this subdivision by January 1, 2010.~~

37 *SEC. 4. Section 69613.1 of the Education Code is amended to*
38 *read:*

1 69613.1. On or before January 1 of each year, the
2 Superintendent of Public Instruction shall furnish the commission
3 with all of the following:

4 (a) A list of teaching fields that have the most critical shortage
5 of teachers. The Superintendent shall review this list annually and
6 revise the list as he or she deems necessary. The list of shortage
7 areas furnished pursuant to this subdivision shall include the state
8 special schools as a category separate from special education.

9 (b) A list of schools that serve a large population of pupils from
10 low-income families, ~~as designated for purposes of the Perkins~~
11 ~~Loan Program, determined by eligibility for services pursuant to~~
12 ~~Section 11(a)(1)(F) of the Richard B. Russell National School~~
13 ~~Lunch Act (42 U.S.C. Sec. 1759a (a)(1)(F))~~ or according to
14 standards the Superintendent deems appropriate.

15 (c) A list of schools with a high percentage of teachers holding
16 emergency-type permits. The list shall be established according
17 to criteria determined by the Superintendent.

18 (d) A list of schools serving rural areas. The list shall be
19 established according to standards deemed appropriate by the
20 Superintendent.

21 ~~(e) A list of schools ranked in the lowest two deciles on the~~
22 ~~Academic Performance Index.~~

23 ~~(f) A list of high priority schools.~~

24 *SEC. 5. Section 69613.7 of the Education Code is repealed.*

25 ~~69613.7. (a) For the purposes of this article, “subject matter~~
26 ~~shortage area” may not be construed to include teaching in a~~
27 ~~self-contained classroom or teaching pursuant to a multiple subject~~
28 ~~credential.~~

29 ~~(b) The list, furnished by the Superintendent of Public~~
30 ~~Instruction pursuant to Section 69613.1 and relating to teaching~~
31 ~~fields that have the most critical shortage of teachers, shall not~~
32 ~~include teaching in a self-contained classroom or teaching pursuant~~
33 ~~to a multiple subject credential.~~

34 *SEC. 6. Section 69613.7 is added to the Education Code, to*
35 *read:*

36 *69613.7. In addition to the amounts set forth in subdivision (a)*
37 *of Section 69613.4, for each of the four years of classroom*
38 *instruction referenced in that subdivision, loan assumption benefits*
39 *shall be granted as follows:*

1 (a) One thousand dollars (\$1,000) of additional liability per
2 year shall be assumed for a person who holds a credential
3 appropriate for teaching, and who teaches, mathematics, science,
4 or special education.

5 (b) Not more than a total of five million dollars (\$5,000,000)
6 shall be expended in any academic year for purposes of this
7 section.

8 (c) The commission shall award benefits payable under this
9 section upon receipt of all documentation necessary to establish
10 eligibility for the additional loan assumption benefits. Payments
11 shall be made to applicants in the order that full documentation
12 is received until the five million dollars (\$5,000,000) authorized
13 by subdivision (b) has been expended.

14 *SEC. 7. Section 69613.8 of the Education Code is repealed.*

15 ~~69613.8. In addition to the amounts set forth in subdivision (a)
16 of Section 69613.4, for each of the four years of classroom
17 instruction referenced in subdivision (a) of Section 69613.4, the
18 following loan assumption benefits shall be granted:~~

19 ~~(a) One thousand dollars (\$1,000) of additional liability per year
20 shall be assumed for a person who holds a credential appropriate
21 for teaching, and who teaches, mathematics, science, or special
22 education in the lowest 60 percentile of Academic Performance
23 Index rankings.~~

24 ~~(b) One thousand dollars (\$1,000) of additional liability per year
25 shall be assumed for a person who teaches in a school in the lowest
26 two deciles on the Academic Performance Index rankings.
27 Eligibility for the benefit set forth in this subdivision shall be
28 limited to a person who holds a credential appropriate for teaching,
29 and who teaches, mathematics, science, or special education.~~

30 ~~(c) Not more than a total of five million dollars (\$5,000,000)
31 shall be expended in any academic year for the purposes of this
32 section.~~

33 ~~(d) The commission shall award benefits payable under this
34 section upon receipt of all documentation necessary to establish
35 eligibility for the additional loan assumption benefits. Payments
36 shall be made to applicants in the order received until the five
37 million dollars (\$5,000,000) authorized by subdivision (c) has been
38 expended.~~

39 *SEC. 8. Section 69615.4 of the Education Code is amended to*
40 *read:*

1 69615.4. The commission shall report annually to the
2 Legislature regarding all of the following, on the basis of sex, age,
3 and ethnicity:

4 (a) The total number of program participants.

5 (b) The number of agreements entered into with juniors, seniors,
6 students enrolled in teacher training programs, and persons who
7 agree to enroll in teacher internship programs.

8 (c) The number of participants who agree to teach in a subject
9 matter shortage area.

10 ~~(d) The number of participants who agree to teach in schools~~
11 ~~with a high ratio of pupils from low-income families and in schools~~
12 ~~ranked in the lowest two deciles on the Academic Performance~~
13 ~~Index.~~

14 ~~(e)~~

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

17 ~~(f)~~

18 (e) The number of participants who agree to teach in schools
19 with a high percentage of teachers holding provisional internship
20 permits.

21 ~~(g)~~

22 (f) The number of participants who receive a loan assumption
23 benefit, classified by payment year.

24 ~~(h)~~

25 (g) The number of out-of-state teachers who enter into
26 agreements.

27 ~~(i)~~

28 (h) The number of participants who have participated in teacher
29 internship programs, classified by school district or county office
30 of education.

31 *SEC. 9. Section 69615.5 is added to the Education Code, to*
32 *read:*

33 *69615.5. Participants in the program shall be prohibited from*
34 *participating in the Governor's Teaching Fellowships Program*
35 *concurrently.*

36 *SEC. 10. Section 69615.9 is added to the Education Code, to*
37 *read:*

38 *69615.9. The commission shall continue to implement the*
39 *program as it read on January 1, 2015, for purposes of collecting*
40 *payments from former program participants required to repay*

1 *program costs as of January 1, 2016, for failing to satisfy the*
2 *program's requirements.*

3 *SEC. 11. Section 70000 of the Education Code is amended to*
4 *read:*

5 70000. (a) The Governor's Teaching Fellowships Program is
6 hereby established to be administered by the Chancellor's office
7 of the California State University. The chancellor's office shall
8 collaborate with the University of California, the California
9 Community Colleges, the Association of Independent California
10 Colleges and Universities, the ~~State Department of Education,~~
11 *Superintendent of Public Instruction, the California Student Aid*
12 *Commission,* and the Commission on Teacher Credentialing to
13 ensure that access to the fellowships is available to students in a
14 variety of teaching preparation programs.

15 (b) In January 2001, 250 nonrenewable graduate teaching
16 fellowships in the amount of twenty thousand dollars (\$20,000)
17 each shall be awarded, with funds disbursed one-half in January
18 2001 and one-half in September 2001.

19 (c) During the 2001–02 fiscal year, 1,000 nonrenewable,
20 graduate teaching fellowships in the amount of twenty thousand
21 dollars (\$20,000) each shall be awarded.

22 (d) Commencing with the 2002–03 fiscal year and each fiscal
23 year thereafter, the number of fellowships awarded shall be
24 determined pursuant to an appropriation in the annual Budget Act
25 for this purpose.

26 (e) The fellowship award may be used to defer tuition for a
27 teacher certification program at any accredited postsecondary
28 institution in California and for living expenses while enrolled in
29 that program.

30 *SEC. 12. Section 70001 of the Education Code is amended to*
31 *read:*

32 70001. (a) The Chancellor's office of the California State
33 University shall have the following duties:

34 (1) Developing an application process that establishes a
35 merit-based fellowship program for graduate students who agree
36 to teach at a high-priority school for four years.

37 (2) Establishing a broad and effective outreach effort to promote
38 the availability and the merits of the fellowship program.

39 (3) Conducting the selection process for fellowship applicants.

1 (4) Collaborating with the Commission on Teacher Credentialing
2 to develop and implement a system for monitoring program
3 participants through the completion of their four-year teaching
4 obligation.

5 (5) Determining the criteria for selecting teaching fellowship
6 candidates. The criteria shall include, at a minimum, all of the
7 following:

8 (A) Previous academic and employment record.

9 (B) A demonstrated commitment to serve in a high-priority
10 school.

11 (C) Faculty and employer evaluations.

12 (D) Interviews.

13 (E) Letters of recommendation.

14 (b) For the purposes of this article, a “high-priority school” is
15 a school ~~in the bottom half of the Academic Performance Index~~
16 ~~rankings established pursuant to subdivision (a) of Section 52056~~
17 *that qualifies for funding under Section 11(a)(1)(F) of the Richard*
18 *B. Russell National School Lunch Act (42 U.S.C. Sec. 1759a*
19 *(a)(1)(F)).* If a school meets this criteria at the time a teacher is
20 hired, continued employment of the teacher at that school fulfills
21 the commitment made by the teacher, even if the school ~~improves~~
22 ~~its rank on the Academic Performance Index loses its qualification~~
23 *under Section 11(a)(1)(F) of the Richard B. Russell National*
24 *School Lunch Act (42 U.S.C. Sec. 1759a (a)(1)(F)).*

25 *SEC. 13. Section 70006 is added to the Education Code, to*
26 *read:*

27 *70006. Notwithstanding any other law, the California State*
28 *University shall award no more than the number of fellowships*
29 *that are authorized by the Governor and the Legislature in the*
30 *annual Budget Act for that year for fellowships pursuant to this*
31 *article.*

32 *SEC. 14. Section 70007 is added to the Education Code, to*
33 *read:*

34 *70007. The California State University shall continue to*
35 *implement the fellowship program as it read on January 1, 2015,*
36 *for purposes of collecting payments from former program*
37 *participants required to repay program costs as of January 1,*
38 *2016, for failing to satisfy the program’s requirements.*

39 *SEC. 15. Section 70008 is added to the Education Code, to*
40 *read:*

1 70008. *Participants in the program shall be prohibited from*
2 *participating in the Assumption Program of Loans for Education*
3 *concurrently.*

4 SECTION 1. ~~Section 69615.9 is added to the Education Code,~~
5 ~~to read:~~

6 ~~69615.9. (a) The department shall, in conjunction with the~~
7 ~~commission, report to the Legislature on the need for the program~~
8 ~~established by this article, any modifications that may be needed~~
9 ~~to improve the program's effectiveness in increasing the supply~~
10 ~~of high-quality teachers for high-needs and low-performing~~
11 ~~schools, and the need to establish new recruitment and financial~~
12 ~~aid programs to accomplish that objective. This report shall be~~
13 ~~submitted to the Legislature on or before January 1, 2017.~~

14 ~~(b) (1) A report to be submitted pursuant to subdivision (a)~~
15 ~~shall be submitted in compliance with Section 9795 of the~~
16 ~~Government Code.~~

17 ~~(2) Pursuant to Section 10231.5 of the Government Code, this~~
18 ~~section is repealed on January 1, 2020.~~