

AMENDED IN SENATE APRIL 7, 2015

AMENDED IN SENATE MARCH 18, 2015

**SENATE BILL**

**No. 62**

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

December 30, 2014

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An act to amend Sections 69612, 69612.5, 69613, 69613.1, 69615.4, 70000, ~~and~~ 70001, *70003*, and *70005* 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: 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~~ *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 *which* the chancellor is required to collaborate, and would ~~change the definition of~~ *delete the definition of a “high-priority school” and define an “eligible school”* for ~~these purposes, purposes of implementation and administration of the program,~~ 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.~~ *specified purposes.*

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 pupils with special needs, for schools

1 serving rural areas or large populations of pupils from low-income  
2 and linguistic minority families, and for schools with a high  
3 percentage of teachers holding emergency-type permits.

4 (3) The rising costs of higher education, coupled with a shift in  
5 available financial aid from scholarships and grants to loans, make  
6 the availability of financial aid and loan repayment assistance  
7 options an important consideration in a student’s decision to pursue  
8 a postsecondary education.

9 (b) It is, therefore, the intent of the Legislature that the  
10 Assumption Program of Loans for Education be designed to  
11 provide outstanding postsecondary students, particularly  
12 economically disadvantaged students, with the assurance of  
13 financial assistance to encourage them to complete postsecondary  
14 education programs leading to teaching credentials, and to seek  
15 employment as teachers in designated subject-matter shortage  
16 areas *and self-contained classrooms* or in schools serving a large  
17 population of pupils from low-income families or schools with a  
18 high percentage of teachers holding emergency-type permits.

19 SEC. 2. Section 69612.5 of the Education Code is amended to  
20 read:

21 69612.5. For purposes of this article, the following terms have  
22 the following definitions:

23 (a) “Eligible institution” means a postsecondary institution that  
24 is determined by the Student Aid Commission to meet both of the  
25 following requirements:

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

28 (2) The institution maintains a program of professional  
29 preparation that has been approved by the Commission on Teacher  
30 Credentialing.

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

33 (1) ~~It qualifies for funding under Section 11(a)(1)(F) of the~~  
34 ~~Richard B. Russell National School Lunch Act (42 U.S.C. Sec.~~  
35 ~~1759a (a)(1)(F)) serves a percentage of unduplicated pupils, as~~  
36 ~~defined in Section 42238.02, as determined by the Superintendent~~  
37 ~~of Public Instruction.~~

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

1 (A) Provisional internships.

2 (B) Short-term staff permits.

3 (C) Credential waivers.

4 (D) Substitute permits.

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

6 SEC. 3. Section 69613 of the Education Code is amended to  
7 read:

8 69613. (a) Program participants shall meet all of the following  
9 eligibility criteria prior to selection in the program and shall  
10 continue to meet these criteria, as appropriate, during the payment  
11 periods:

12 (1) The applicant has completed at least 60 semester units, or  
13 the equivalent, and is enrolled in an academic program leading to  
14 a baccalaureate degree at an eligible institution, has agreed to  
15 participate in a teacher internship program, or has been admitted  
16 to a program of professional preparation that has been approved  
17 by the Commission on Teacher Credentialing.

18 (2) The applicant is currently enrolled in, or has been admitted  
19 to, a program in which he or she will be enrolled on at least a  
20 half-time basis, as determined by the participating institution. The  
21 applicant shall agree to maintain satisfactory academic progress  
22 and a minimum of half-time enrollment, as defined by the  
23 participating eligible institution.

24 (A) Except as provided in subparagraphs (B) and (C), if a person  
25 participating in the program fails to maintain at least half-time  
26 enrollment, as required by this article, under the terms of the  
27 agreement pursuant to paragraph (2), the loan assumption  
28 agreement shall be invalidated and the participant shall retain full  
29 liability for all student loan obligations. This subparagraph shall  
30 not apply if the participant is in his or her final semester or quarter  
31 in school and has no additional coursework required to obtain his  
32 or her teaching credential.

33 (B) Notwithstanding subparagraph (A), if a program participant  
34 is unable to maintain at least half-time enrollment due to serious  
35 illness, pregnancy, or other natural causes, or is called to active  
36 military duty status, the participant is not required to retain full  
37 liability for the student loan obligation for a period not to exceed  
38 one calendar year, unless approved by the commission for a longer  
39 period.

1 (C) If a natural disaster prevents a program participant from  
2 maintaining at least half-time enrollment due to the interruption  
3 of instruction at the eligible institution, the term of the loan  
4 assumption agreement shall be extended for a period not to exceed  
5 one calendar year, unless approved by the commission for a longer  
6 period.

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

11 (A) Grade point average.

12 (B) Test scores.

13 (C) Faculty evaluations.

14 (D) Interviews.

15 (E) Other recommendations.

16 ~~(4) The applicant has received, or is approved to receive, a loan  
17 from a program approved by the Student Aid Commission.~~

18 *(4) The applicant has received, or is approved to receive, an  
19 educational loan from a program approved by the Student Aid  
20 Commission.*

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

28 (6) The applicant has demonstrated financial need.

29 ~~(7) The applicant will be teaching in a shortage area, as  
30 determined by the Superintendent of Public Instruction pursuant  
31 to subdivision (a) of Section 69613.1.~~

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

36 (c) For the purposes of calculating eligible years of teaching for  
37 the redemption of an award, the inclusion by the Superintendent  
38 of Public Instruction of a school on a list prepared pursuant to  
39 Section 69613.1 shall apply retroactively from the date the school  
40 first opened.

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

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

6 SEC. 4. Section 69613.1 of the Education Code is amended to  
7 read:

8 69613.1. On or before January 1 of each year, the  
9 Superintendent of Public Instruction shall furnish the commission  
10 with all of the following:

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

16 (b) A list of schools that serve a large population of pupils from  
17 low-income families, as determined by eligibility for ~~services~~  
18 ~~pursuant to Section 11(a)(1)(F) of the Richard B. Russell National~~  
19 ~~School Lunch Act (42 U.S.C. Sec. 1759a (a)(1)(F))~~ *supplemental*  
20 *funding under the Local Control Funding Formula* or according  
21 to standards the Superintendent deems appropriate.

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

25 (d) A list of schools serving rural areas. The list shall be  
26 established according to standards deemed appropriate by the  
27 Superintendent.

28 SEC. 5. Section 69613.7 of the Education Code is repealed.

29 SEC. 6. Section 69613.7 is added to the Education Code, to  
30 read:

31 69613.7. In addition to the amounts set forth in subdivision (a)  
32 of Section 69613.4, for each of the four years of classroom  
33 instruction referenced in that subdivision, loan assumption benefits  
34 shall be granted as follows:

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

39 (b) *One thousand dollars (\$1,000) of additional liability per*  
40 *year shall be assumed for a person who teaches in a school in the*

1 *lowest two deciles on the Academic Performance Index rankings.*  
2 *Eligibility for the benefit set forth in this subdivision shall be*  
3 *limited to a person who holds a credential appropriate for*  
4 *teaching, and who teaches mathematics, science, or special*  
5 *education.*

6 ~~(b)~~

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

9 ~~(e)~~

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

16 SEC. 7. Section 69613.8 of the Education Code is repealed.

17 SEC. 8. Section 69615.4 of the Education Code is amended to  
18 read:

19 69615.4. The commission shall report annually to the  
20 Legislature regarding all of the following, on the basis of sex, age,  
21 and ethnicity:

22 (a) The total number of program participants.

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

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

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

30 (e) The number of participants who agree to teach in schools  
31 with a high percentage of teachers holding provisional internship  
32 permits.

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

35 (g) The number of out-of-state teachers who enter into  
36 agreements.

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

1 SEC. 9. Section 69615.5 is added to the Education Code, to  
2 read:

3 69615.5. Participants in the program shall be prohibited from  
4 participating in the Governor's Teaching Fellowships Program  
5 concurrently.

6 SEC. 10. Section 69615.9 is added to the Education Code, to  
7 read:

8 69615.9. The commission shall continue to implement the  
9 program as it read on January 1, 2015, ~~for purposes of the~~  
10 *allocation of funds for loan assumption agreements made before*  
11 *January 1, 2015, and* collecting payments from former program  
12 participants required to repay program costs as of January 1, 2016,  
13 for failing to satisfy the program's requirements.

14 SEC. 11. Section 70000 of the Education Code is amended to  
15 read:

16 70000. (a) The Governor's Teaching Fellowships Program is  
17 hereby established to be administered by the Chancellor's office  
18 of the California State University. The chancellor's office shall  
19 collaborate with the University of California, the California  
20 Community Colleges, the Association of Independent California  
21 Colleges and Universities, the Superintendent of Public Instruction,  
22 the California Student Aid Commission, and the Commission on  
23 Teacher Credentialing to ensure that access to the fellowships is  
24 available to students in a variety of teaching preparation programs.

25 (b) In January 2001, 250 nonrenewable graduate teaching  
26 fellowships in the amount of twenty thousand dollars (\$20,000)  
27 each shall be awarded, with funds disbursed one-half in January  
28 2001 and one-half in September 2001.

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

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

36 (e) The fellowship award may be used to defer tuition for a  
37 teacher certification program at any accredited postsecondary  
38 institution in California and for living expenses while enrolled in  
39 that program.

1 SEC. 12. Section 70001 of the Education Code is amended to  
2 read:

3 70001. (a) The Chancellor’s office of the California State  
4 University shall have the following duties:

5 (1) Developing an application process that establishes a  
6 merit-based fellowship program for graduate students who agree  
7 to teach at ~~a high-priority school~~ *an eligible school* for four years.

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

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

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

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

18 (A) Previous academic and employment record.

19 (B) A demonstrated commitment to serve in ~~a high-priority~~  
20 ~~school~~ *an eligible school*.

21 (C) Faculty and employer evaluations.

22 (D) Interviews.

23 (E) Letters of recommendation.

24 (b) For the purposes of this article, ~~a “high-priority school” is~~  
25 ~~a school that qualifies for funding under Section 11(a)(1)(F) of the~~  
26 ~~Richard B. Russell National School Lunch Act (42 U.S.C. Sec.~~  
27 ~~1759a (a)(1)(F))~~ *an “eligible school” is a school that meets the*  
28 *criteria of paragraph (1) of subdivision (b) of Section 69612.5. If*  
29 *a school meets this criteria at the time a teacher is hired, continued*  
30 *employment of the teacher at that school fulfills the commitment*  
31 *made by the teacher, even if the school loses its qualification under*  
32 *Section 11(a)(1)(F) of the Richard B. Russell National School*  
33 *Lunch Act (42 U.S.C. Sec. 1759a (a)(1)(F)) paragraph (1) of*  
34 *subdivision (b) of Section 69612.5.*

35 SEC. 13. Section 70003 of the Education Code is amended to  
36 read:

37 70003. (a) A fellowship recipient shall agree to teach in ~~a~~  
38 ~~high-priority~~ *an eligible school* for four years and shall have four  
39 years, upon completion of his or her preparation program, to meet  
40 that obligation. Except as provided in subdivision (c), a fellowship

1 recipient shall agree to repay the state five thousand dollars  
2 (\$5,000) annually for each year the recipient fails to complete  
3 either the teacher preparation program or the required teaching  
4 service, up to full repayment of twenty thousand dollars (\$20,000).

5 (b) Nonperformance of the commitment to teach in—a  
6 ~~high-priority~~ *an eligible* school for four years shall be certified by  
7 the Commission on Teacher Credentialing to the chancellor's  
8 office.

9 (c) Any exceptions to the requirement for repayment shall be  
10 defined by the chancellor's office.

11 *SEC. 14. Section 70005 of the Education Code is amended to*  
12 *read:*

13 70005. (a) The Chancellor's office of the California State  
14 University shall adopt any rules and regulations it deems necessary  
15 for the administration of this section and the recovery of funds it  
16 determines are owed to the state. The rules and regulations adopted  
17 by the chancellor's office pursuant to this section shall also include  
18 a provision authorizing the chancellor's office to seek a civil  
19 penalty on a recipient of funds under this program, in an amount  
20 not to exceed five thousand dollars (\$5,000) per year for each year  
21 that the recipient of funds is determined by the Commission on  
22 Teacher Credentialing to have failed to fulfill his or her obligation  
23 to teach in a ~~high-priority~~ *an eligible* school.

24 (b) Any moneys derived from the assessment of penalties  
25 pursuant to this section shall be deposited into the General Fund.

26 ~~SEC. 13.~~

27 *SEC. 15. Section 70006 is added to the Education Code, to*  
28 *read:*

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

34 ~~SEC. 14.~~

35 *SEC. 16. Section 70007 is added to the Education Code, to*  
36 *read:*

37 70007. The California State University shall continue to  
38 implement the fellowship program as it read on January 1, 2015,  
39 for purposes of collecting payments from former program

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

3 ~~SEC. 15.~~

4 *SEC. 17.* Section 70008 is added to the Education Code, to  
5 read:

6 70008. Participants in the program shall be prohibited from  
7 participating in the Assumption Program of Loans for Education  
8 concurrently.

O