

AMENDED IN SENATE JUNE 2, 2015
AMENDED IN SENATE APRIL 7, 2015
AMENDED IN SENATE MARCH 18, 2015

SENATE BILL

No. 62

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

An act to amend Sections 69612, 69612.5, 69613, 69613.1, ~~69615.4, 70000, 70001, 70003, and 70005~~ and 69615.4 of, to add ~~Sections 69615.5, Section 69615.9, 70006, 70007, and 70008~~ to, to repeal Section 69613.8 of, and to repeal and add ~~Section~~ *Sections 69613.7 and 69615.8* 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. *Existing law prohibits the commission from awarding more*

than the number of loan assumption agreements that are authorized by the Governor and the Legislature in the annual Budget Act, as provided.

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. The bill would require the program to continue to be implemented as it read on January 1, 2015, for specified purposes relating to loan assumption agreements entered into before that date, and would make further implementation of the program contingent upon an appropriation in the annual Budget Act or another measure. To the extent that funding is provided, the bill would require that not more than 1,000 loan assumption agreements be awarded in any academic year.

~~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 with which the chancellor is required to collaborate, and would delete the definition of a "high-priority school" and define an "eligible school" for 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 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
10 serving rural areas or large populations of pupils from low-income
11 and linguistic minority families, and for schools with a high
12 percentage of teachers holding emergency-type permits.

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

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

28 SEC. 2. Section 69612.5 of the Education Code is amended to
29 read:

30 69612.5. For purposes of this article, the following terms have
31 the following definitions:

32 (a) "Eligible institution" means a postsecondary institution that
33 is determined by the Student Aid Commission to meet both of the
34 following requirements:

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

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

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

(1) It serves a percentage of unduplicated pupils, as defined in Section 42238.02, as determined by the Superintendent of Public Instruction.

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

(A) Provisional internships.

(B) Short-term staff permits.

(C) Credential waivers.

(D) Substitute permits.

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

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

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

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

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

(A) Except as provided in subparagraphs (B) and (C), if a person participating in the program fails to maintain at least half-time enrollment, as required by this article, under the terms of the agreement pursuant to paragraph (2), the loan assumption agreement shall be invalidated and the participant shall retain full liability for all student loan obligations. This subparagraph shall

1 not apply if the participant is in his or her final semester or quarter
2 in school and has no additional coursework required to obtain his
3 or her teaching credential.

4 (B) Notwithstanding subparagraph (A), if a program participant
5 is unable to maintain at least half-time enrollment due to serious
6 illness, pregnancy, or other natural causes, or is called to active
7 military duty status, the participant is not required to retain full
8 liability for the student loan obligation for a period not to exceed
9 one calendar year, unless approved by the commission for a longer
10 period.

11 (C) If a natural disaster prevents a program participant from
12 maintaining at least half-time enrollment due to the interruption
13 of instruction at the eligible institution, the term of the loan
14 assumption agreement shall be extended for a period not to exceed
15 one calendar year, unless approved by the commission for a longer
16 period.

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

21 (A) Grade point average.

22 (B) Test scores.

23 (C) Faculty evaluations.

24 (D) Interviews.

25 (E) Other recommendations.

26 (4) The applicant has received, or is approved to receive, an
27 educational loan from a program approved by the Student Aid
28 Commission.

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

36 (6) The applicant has demonstrated financial need.

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

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

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

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

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

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

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

(b) A list of schools that serve a large population of pupils from low-income families, as determined by eligibility for supplemental funding under the local control funding formula or according to standards the Superintendent deems appropriate.

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

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

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

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

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

(a) One thousand dollars (\$1,000) of additional liability per year shall be assumed for a person who holds a credential appropriate

1 for teaching, and who ~~teaches~~, *teaches* mathematics, science, or
2 special education.

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

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

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

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

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

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

23 (a) The total number of program participants.

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

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

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

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

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

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

38 (h) The number of participants who have participated in teacher
39 internship programs, classified by school district or county office
40 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. 9. Section 69615.8 of the Education Code is repealed.~~

7 ~~69615.8. Notwithstanding any other law, in any fiscal year,~~
8 ~~the commission shall award no more than the number of loan~~
9 ~~assumption agreements that are authorized by the Governor and~~
10 ~~the Legislature in the annual Budget Act for that year for the~~
11 ~~assumption of loans pursuant to this article.~~

12 ~~SEC. 10. Section 69615.8 is added to the Education Code, to~~
13 ~~read:~~

14 ~~69615.8. This article shall be implemented upon an~~
15 ~~appropriation specifically for its purposes in the annual Budget~~
16 ~~Act or another measure. To the extent that funding is provided,~~
17 ~~not more than 1,000 loan assumption agreements shall be awarded~~
18 ~~in any academic year for purposes of this article.~~

19 ~~SEC. 10.~~

20 ~~SEC. 11. Section 69615.9 is added to the Education Code, to~~
21 ~~read:~~

22 ~~69615.9. The commission shall continue to implement the~~
23 ~~program as it read on January 1, 2015, for the allocation of funds~~
24 ~~for loan assumption agreements made before January 1, 2015, and~~
25 ~~collecting payments from former program participants required to~~
26 ~~repay program costs as of January 1, 2016, for failing to satisfy~~
27 ~~the program's requirements.~~

28 ~~SEC. 11. Section 70000 of the Education Code is amended to~~
29 ~~read:~~

30 ~~70000. (a) The Governor's Teaching Fellowships Program is~~
31 ~~hereby established to be administered by the Chancellor's office~~
32 ~~of the California State University. The chancellor's office shall~~
33 ~~collaborate with the University of California, the California~~
34 ~~Community Colleges, the Association of Independent California~~
35 ~~Colleges and Universities, the Superintendent of Public Instruction,~~
36 ~~the California Student Aid Commission, and the Commission on~~
37 ~~Teacher Credentialing to ensure that access to the fellowships is~~
38 ~~available to students in a variety of teaching preparation programs.~~

39 ~~(b) In January 2001, 250 nonrenewable graduate teaching~~
40 ~~fellowships in the amount of twenty thousand dollars (\$20,000)~~

1 each shall be awarded, with funds disbursed one-half in January
2 2001 and one-half in September 2001.

3 (e) ~~During the 2001-02 fiscal year, 1,000 nonrenewable,~~
4 ~~graduate teaching fellowships in the amount of twenty thousand~~
5 ~~dollars (\$20,000) each shall be awarded.~~

6 (d) ~~Commencing with the 2002-03 fiscal year and each fiscal~~
7 ~~year thereafter, the number of fellowships awarded shall be~~
8 ~~determined pursuant to an appropriation in the annual Budget Act~~
9 ~~for this purpose.~~

10 (e) ~~The fellowship award may be used to defer tuition for a~~
11 ~~teacher certification program at any accredited postsecondary~~
12 ~~institution in California and for living expenses while enrolled in~~
13 ~~that program.~~

14 SEC. 12. ~~Section 70001 of the Education Code is amended to~~
15 ~~read:~~

16 70001. (a) ~~The Chancellor's office of the California State~~
17 ~~University shall have the following duties:~~

18 (1) ~~Developing an application process that establishes a~~
19 ~~merit-based fellowship program for graduate students who agree~~
20 ~~to teach at an eligible school for four years.~~

21 (2) ~~Establishing a broad and effective outreach effort to promote~~
22 ~~the availability and the merits of the fellowship program.~~

23 (3) ~~Conducting the selection process for fellowship applicants.~~

24 (4) ~~Collaborating with the Commission on Teacher Credentialing~~
25 ~~to develop and implement a system for monitoring program~~
26 ~~participants through the completion of their four-year teaching~~
27 ~~obligation.~~

28 (5) ~~Determining the criteria for selecting teaching fellowship~~
29 ~~candidates. The criteria shall include, at a minimum, all of the~~
30 ~~following:~~

31 (A) ~~Previous academic and employment record.~~

32 (B) ~~A demonstrated commitment to serve in an eligible school.~~

33 (C) ~~Faculty and employer evaluations.~~

34 (D) ~~Interviews.~~

35 (E) ~~Letters of recommendation.~~

36 (b) ~~For the purposes of this article, an "eligible school" is a~~
37 ~~school that meets the criteria of paragraph (1) of subdivision (b)~~
38 ~~of Section 69612.5. If a school meets this criteria at the time a~~
39 ~~teacher is hired, continued employment of the teacher at that school~~
40 ~~fulfills the commitment made by the teacher, even if the school~~

1 loses its qualification under paragraph (1) of subdivision (b) of
2 Section 69612.5.

3 SEC. 13. Section 70003 of the Education Code is amended to
4 read:

5 70003. (a) A fellowship recipient shall agree to teach in an
6 eligible school for four years and shall have four years, upon
7 completion of his or her preparation program, to meet that
8 obligation. Except as provided in subdivision (c), a fellowship
9 recipient shall agree to repay the state five thousand dollars
10 (\$5,000) annually for each year the recipient fails to complete
11 either the teacher preparation program or the required teaching
12 service, up to full repayment of twenty thousand dollars (\$20,000).

13 (b) Nonperformance of the commitment to teach in an eligible
14 school for four years shall be certified by the Commission on
15 Teacher Credentialing to the chancellor's office.

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

18 SEC. 14. Section 70005 of the Education Code is amended to
19 read:

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

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

33 SEC. 15. Section 70006 is added to the Education Code, to
34 read:

35 70006. Notwithstanding any other law, the California State
36 University shall award no more than the number of fellowships
37 that are authorized by the Governor and the Legislature in the
38 annual Budget Act for that year for fellowships pursuant to this
39 article.

1 ~~SEC. 16. Section 70007 is added to the Education Code, to~~
2 ~~read:~~

3 ~~70007. The California State University shall continue to~~
4 ~~implement the fellowship program as it read on January 1, 2015,~~
5 ~~for purposes of collecting payments from former program~~
6 ~~participants required to repay program costs as of January 1, 2016,~~
7 ~~for failing to satisfy the program's requirements.~~

8 ~~SEC. 17. Section 70008 is added to the Education Code, to~~
9 ~~read:~~

10 ~~70008. Participants in the program shall be prohibited from~~
11 ~~participating in the Assumption Program of Loans for Education~~
12 ~~concurrently.~~