

AMENDED IN SENATE MAY 16, 2000

AMENDED IN SENATE APRIL 13, 2000

**SENATE BILL**

**No. 1505**

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**Introduced by Senator Alarcon**  
(Principal coauthor: Assembly Member Correa)

February 15, 2000

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An act to amend Sections 24216.5, 44386, 44395, 44396, 69532, 69612, 69612.5, 69613, 69613.1, 69613.5, 69613.6, 69614, 69615.4, and 69615.6 of, to amend, ~~add,~~ and renumber Section 44397 of, to add Chapter 3.44 (commencing with Section ~~44754~~ 44751) and Chapter 3.55 (commencing with Section 44765) to Part 25 of, to add Article 21 (commencing with Section 70000) to Chapter 2 of Part 42 of, and to repeal Sections 69613.3 and 69613.55 of, the Education Code, and to add Chapter 9.5 (commencing with Section 51460) to Part 3 of Division 31 of the Health and Safety Code, relating to teachers, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1505, as amended, Alarcon. Teachers: recruitment and incentives.

(1) Existing law exempts a member of the State Teachers' Retirement System who is retired for service from certain limitations on the amount of compensation the member may earn for performing certain creditable activities without suffering a reduction in his or her retirement allowance if the member is employed to mitigate the effects of teacher

shortages attributable to recent class size reduction legislation affecting kindergarten and grades 1 to 3, inclusive.

This bill would instead, commencing in the 2000–01 school year, exempt a member who retired for service effective January 1, 2000, and is employed to provide direct classroom instruction to pupils in kindergarten or any of grades 1 to 12, inclusive, or to provide support to new teachers, individuals completing student teaching assignments or participating in the Preinternship Teaching Program, an alternative certification program, or the School Paraprofessional Teacher Training Program.

(2) Existing law provides incentive grant funding to school districts and county offices of education that operate or propose to operate an alternative certification program and limits the amount of a grant to \$1,500 per intern per year.

This bill would increase the maximum amount of a grant to \$2,500.

(3) Existing law establishes the National Board for Professional Teaching Standards Certification Incentive Program to provide one-time \$10,000 merit awards to teachers who are employed by school districts or charter schools, are assigned to teach in the public schools, and have attained certification from the National Board for Professional Teaching Standards.

This bill would provide an additional \$20,000 to the recipient if the teacher agrees to teaching for 4 years in a low-performing school and would define a low-performing school as one that is in the bottom half of all schools based on the Academic Performance Index. ~~The bill would require the Commission on Teacher Credentialing to adopt rules and regulations for the enforcement of the agreement to teach for 4 years in a low-performing school and to recover funds owed to the state for failure to honor that agreement.~~

(4) Existing law requires the governing board of a school district to employ for positions requiring certification qualifications only persons who possess the qualifications for those positions. Existing law authorizes the waiver of provisions governing the preparation or licensing of educators for certain purposes, including to provide a credential candidate additional time to complete a credential



requirement, to allow a school district or school to implement an education reform or restructuring plan, and when deemed appropriate by the commission. Existing law authorizes the Commission on Teacher Credentialing to issue or renew emergency teaching or specialist permits if certain conditions are met and requires the holder of an emergency permit, among other things, to participate in ongoing training, coursework, or seminars designed to prepare the individual to become a fully credentialed teacher or other educator in the subject area in which he or she is assigned to teach or serve.

This bill would establish the Teaching as a Priority Program to be administered by the Commission on Teacher Credentialing. Under the program, ~~a low-performing school in a participating school district or a school that is ranked in the bottom 30th percentile or below of a school in a participating school district that has received a score of 3, 2, or 1 on the Academic Performance Index would receive \$3,000 for each fully credentialed, appropriately assigned teacher, who is hired and replaces an emergency permit teacher and a fully credentialed, appropriately assigned teacher who is hired by a participating school district to teach in the low-performing school would receive \$3,000. The bill would additionally require that a school ranked in the 40th to 50th percentile, inclusive, of~~ *A school that scores a 4 to 5 on the Academic Performance Index would receive a \$2,000 incentive for each fully credentialed, appropriately assigned teacher, who is hired and replaces an emergency permit teacher and a fully credentialed, appropriately assigned teacher who is hired by the school and replaces an emergency permit teacher would also receive \$2,000. The bill would require a participating school district to, demonstrate, on an annual basis, an absolute one-to-one reduction in the number of emergency permitholders for each new teacher hired under the program. A school district that fails to attain this reduction would have its revenue limit funding reduced on a one-time basis by \$4,000 for each emergency permit teacher that is in excess of the target. The bill would require all schools participating in the Teaching as a Priority Program to post, as specified, a list of all teachers employed by the school and the credentials held by those teachers.*



(5) Existing law requires the establishment and operation of a resource center that collects and maintains information regarding programs that encourage or assist military personnel, upon retirement, to enter the teaching profession. Existing law establishes the California School Paraprofessional Teacher Training Program to recruit paraprofessionals to participate in a program designed to encourage them to enroll in teacher training programs and to provide instructional service as teachers in the public schools. Existing law establishes the Science, Mathematics, and Technology Teacher Pipeline Program to identify, support, and assist elementary, secondary, and postsecondary students to become teachers of science, mathematics, or technology. Existing law establishes the California Center on Teaching Careers to recruit individuals into the teaching profession.

This bill would establish the Teacher Recruitment Initiative Program, to be administered by the Sacramento County Office of Education. The Sacramento County Office of Education would award, by January 1, 2001, up to 6 grants on a competitive basis to consortia to operate regional recruitment centers that would focus on recruiting teachers to low-performing schools, especially those with a teaching staff that has more than 20% emergency permitholders. The bill would require the Sacramento County Office of Education to provide statewide oversight and technical assistance for regional recruitment centers.

(6) Existing law establishes an Assumption Program of Loans for Education under which an applicant enrolled in a participating institution of postsecondary education, or an applicant who agrees to participate in a teacher trainee or teacher internship program, and who further agrees to obtain a teaching credential in subject areas that are designated as current or projected shortage areas or to provide classroom instruction in schools that serve large populations of pupils from low-income families, serve rural areas, or have a high percentage of teachers holding emergency permits, is eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher. Existing law requires an applicant to enroll in at least 10 semester units or the



equivalent. Existing law sets aside 40% of the warrants for applicants who agree to obtain teaching credentials in any subject area and to teach in schools that serve large populations of pupils from low-income families and 60% of the warrants for applicants who agree to obtain a teaching credential in a subject area that is currently or is projected to be a shortage area.

This bill would also make an applicant enrolled in a participating institution of postsecondary education or an applicant who agrees to participate in a teacher trainee or teacher internship program, and who further agrees to teach in a low-performing school, as defined, eligible for a warrant. The bill would require an applicant to be enrolled on at least a half-time basis rather than 10 semester units and would eliminate the set-asides. The bill would require the Student Aid Commission to reexamine its outreach and marketing strategies relative to the program.

(7) Existing law requires the annual distribution of 500 warrants under the Assumption Program of Loans for Education for the recruitment of out-of-state teachers.

This bill would instead authorize the distribution of warrants without reference to the number of warrants to be distributed.

(8) Existing law requires the annual distribution of a minimum of 2,000 of the warrants under the Assumption Program of Loans for Education ~~Program~~ to applicants who agree to obtain a teaching credential in mathematics or science and 50 warrants to project centers of the Science, Mathematics, and Technology Teacher Pipeline Program for participants in that program.

This bill would delete these provisions.

(9) Existing law requires the distribution for the 1999–2000 school year of a maximum 5,500 student loans for participants of the Assumption Program of Loans for Education ~~Program~~. Notwithstanding this maximum, existing law requires the issuing of warrants in a quantity determined by the Legislature in the annual Budget Act for the assumption of student loans for applicants who agree to teach in rural schools and schools with a high percentage of teachers holding emergency permits.



This bill would increase the maximum number of student loans to 6,500 and would require the issuing of warrants in a quantity determined by the Governor and Legislature in the annual Budget Act for the assumption of student loans regardless of the eligibility category of the applicant, but would allow a set-aside of 100 warrants for applicants who agree to teach in school districts serving rural areas.

(10) Existing law establishes ~~the~~ Cal Grant T ~~Program~~ *awards* as a state educational opportunity grant program under which Cal Grant T awards are made to students who have completed a baccalaureate degree and are admitted to a program of professional teacher preparation for tuition and student fees for a maximum of one academic year of full-time attendance at a program of professional teacher preparation and the Assumption Program of Loans for Education described in paragraphs (6) to (9), inclusive, above.

This bill would require the California Student Aid Commission to report, as specified, on the number of Cal Grant T award recipients that ~~go on to~~ become public school teachers.

The bill would also establish the Governor's Teaching Fellowship Program to be administered by the Chancellor's Office of the California State University and under which \$20,000 nonrenewable graduate teaching fellowships would be awarded to graduate students who agree to teach at a low-performing school for 4 years. The fellowships would be used to defer tuition and living expenses for a teacher certification program at any accredited postsecondary institution in California. The bill would establish an intersegmental review committee to review all fellowship applications.

(11) Existing law establishes the Homebuyer Down Payment Assistance Program to provide assistance in the amount of the applicable school facility fee on affordable housing developments.

This bill would provide up to \$10,000 in down payment assistance to a person who is currently employed as a full-time teacher in a low-performing school and who holds the appropriate credential for the subject and grade level the teacher is assigned to teach. The down payment assistance



would be a deferred payment, low-interest subordinate mortgage loan in second lien position with a term not longer than the term of the first mortgage. The loan would be forgiven if the teacher meets certain conditions, among which are remaining employed at a low-performing school and maintaining the residence for which the down payment assistance was granted as the teacher’s principal residence.

(12) This bill would declare that it *is* to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. (a) The Legislature finds and declares  
2 as follows:

3 (1) California is facing a teacher shortage for the  
4 foreseeable future. It is estimated that in the next 10 years  
5 300,000 new teachers will be needed to fill vacancies  
6 caused by teacher attrition and pupil growth. The state  
7 has increased its capacity to train teachers since 1997  
8 when class size reduction exacerbated existing shortages.  
9 Yet, even with the number of teachers being trained on  
10 the rise, the number of individuals who immediately  
11 enter the classroom after being prepared is estimated to  
12 be as low as 50 percent. Left untapped, this pool of trained  
13 teachers who are not teaching represents a wasted  
14 investment of state resources. In addition, retired  
15 teachers are discouraged from reentering the profession  
16 due to postretirement earnings limitations.

17 (2) Low-performing schools with a history of having  
18 high teacher turnover and inexperienced staff need more  
19 qualified teachers to substantially improve pupil  
20 achievement. While no one approach will likely meet the  
21 challenge of attracting and retaining individuals into  
22 hard to staff schools, financial incentives ought to be an  
23 important element in any effective strategy.

24 (3) Attracting qualified teachers to low-performing  
25 schools necessitates that these schools make the hiring of  
26 fully credentialed staff a high priority.



1 (4) Ultimately, school districts are responsible for  
2 setting the standard for the quality of teachers that they  
3 employ.

4 (b) It is the intent of the Legislature in enacting this  
5 act to accomplish the following:

6 (1) Provide financial incentives to attract fully  
7 credentialed teachers to teach in low-performing schools,  
8 to reduce school districts' reliance on emergency permits  
9 by rewarding schools that hire credentialed teachers in  
10 appropriate assignments. The incentives are designed  
11 both to recruit qualified teachers to hard to staff schools  
12 and to provide low-performing schools with some  
13 additional discretionary moneys.

14 (2) Dissuade school districts, even under the most  
15 difficult circumstances, from hiring teachers who hold  
16 emergency permits by holding a district accountable  
17 through a system of incentives and penalties that obliges  
18 school districts to consistently reduce the number of  
19 emergency permit teachers it employs.

20 (3) Provide incentives and support for individuals who  
21 pursue traditional and alternative routes to teacher  
22 certification through a teaching fellowship, more  
23 accessible college loan assumption, and enhanced  
24 teaching internships.

25 SEC. 2. Section 24216.5 of the Education Code is  
26 amended to read:

27 24216.5. (a) The compensation earned by a member  
28 who retired for service under this part shall be exempt  
29 from subdivisions (d), (f), and (g) of Section 24214, if all  
30 of the following conditions are met:

31 (1) The member retired for service with an effective  
32 date on or before January 1, 2000.

33 (2) The member retired for service is employed by a  
34 school district to provide any of the following:

35 (A) Direct classroom instruction to pupils enrolled in  
36 kindergarten or any grades 1 to 12, inclusive.

37 (B) Support and assessment for new teachers through  
38 the Beginning Teacher Support and Assessment program  
39 authorized by Section 44279.1.



1 (C) Support to individuals completing student  
2 teaching assignments.

3 (D) Support to individuals participating in the  
4 following programs:

5 (i) Pre-Internship Teaching Program authorized  
6 pursuant to Article 5.6 (commencing with Section 44305)  
7 of Chapter 2 of Part 25.

8 (ii) Alternative certification programs authorized  
9 pursuant to Article 11 (commencing with Section 44380)  
10 of Chapter 2 of Part 25.

11 (iii) School Paraprofessional Teacher Training  
12 Program established pursuant to Article 12 (commencing  
13 with Section 44390) of Chapter 2 of Part 25.

14 (3) All members retired for service whose  
15 employment with a school district meets the conditions  
16 specified in this section shall be treated as a distinct class  
17 of temporary employees within the existing bargaining  
18 unit whose service shall not be included in computing the  
19 service required as a prerequisite to attainment of or  
20 eligibility for classification as a permanent employee of a  
21 school district. The compensation for service performed  
22 by this class of employees shall be established in  
23 accordance with subdivision (b) of Section 24214 and  
24 agreed to in the collective bargaining agreement  
25 between the employing school district and the exclusive  
26 representative for the existing bargaining unit within  
27 which these temporary employees of the school district  
28 are treated as a distinct class.

29 (4) The employing school district submits  
30 documentation required by the system to substantiate  
31 the eligibility of the temporary employment of a member  
32 retired for service for the exemption under this  
33 subdivision.

34 (b) A school district that employs a member retired  
35 for service pursuant to this section shall maintain  
36 accurate records of the retired member's compensation  
37 earned and shall report that compensation monthly to the  
38 system regardless of the method of payment or the source  
39 of funds from which the compensation is paid.



1 (c) This section shall not apply to the compensation  
2 earned for creditable service performed by a member  
3 retired for service for a community college district.

4 (d) The amendments made to this section by an act  
5 enacted in the second year of the 1999–2000 Regular  
6 Session shall apply to the 2000–01 school year and all  
7 subsequent school years.

8 (e) This section shall remain in effect only until July 1,  
9 2005, and as of that date is repealed unless a later enacted  
10 statute which is enacted before July 1, 2005, deletes or  
11 extends that date.

12 SEC. 3. Section 44386 of the Education Code is  
13 amended to read:

14 44386. From funds appropriated for the purposes of  
15 this article, the Commission on Teacher Credentialing  
16 shall award incentive grants to qualifying school districts  
17 or county offices of education. Each school district or  
18 county office of education that receives a grant shall  
19 provide matching funds from any available source in an  
20 amount equal to 50 percent of the cost of the alternative  
21 certification program. Grants shall be awarded by the  
22 commission for the remaining 50 percent of the cost of the  
23 alternative certification program, but in no event shall  
24 the grant amount awarded to any school district or county  
25 office of education exceed two thousand five hundred  
26 dollars (\$2,500) per intern per year, except that the  
27 commission may require a lesser local contribution, or  
28 provide a larger grant per intern per year, in hardship  
29 cases.

30 SEC. 4. Section 44395 of the Education Code is  
31 amended to read:

32 44395. (a) The National Board for Professional  
33 Teaching Standards Certification Incentive Program is  
34 hereby established to award grants to school districts for  
35 the purpose of providing awards to teachers who are  
36 employed by school districts or charter schools, are  
37 assigned to teach in California public schools, and have  
38 attained certification from the National Board for  
39 Professional Teaching Standards. The following awards



1 shall be granted to the extent that funds have been  
2 appropriated for this purpose in the annual Budget Act:

3 (1) A teacher attaining national board certification  
4 shall be eligible for a one-time merit award of ten  
5 thousand dollars (\$10,000), except as specified in  
6 paragraph (2).

7 (2) In addition to the award specified in subdivision  
8 (1), commencing July 1, 2000, any teacher who has  
9 attained certification from the National Board for  
10 Professional Teaching Standards is eligible to receive an  
11 award of up to twenty thousand dollars (\$20,000) if he or  
12 she agrees to teach at a low-performing school for at least  
13 four years. Teaching service before July 1, 2000, may not  
14 be counted towards satisfaction of this four-year  
15 commitment. Awards granted pursuant to this  
16 subdivision shall be disbursed in annual payments of five  
17 thousand dollars (\$5,000) over a four-year period. The  
18 annual payment shall be ~~make~~ *made* upon completion of  
19 the school year, *and* upon approval of a district-certified  
20 application pursuant to the guidelines of subdivision (c)  
21 of Section 44396.

22 (b) The State Department of Education shall  
23 administer the awards authorized by subdivision (a), and  
24 shall develop, in consultation with the Commission on  
25 Teacher Credentialing, certification and award  
26 information, criteria, procedures, and applications, all of  
27 which shall be submitted to the State Board of Education  
28 for approval. Amendments requested by the State Board  
29 of Education to that information, criteria, procedures,  
30 and applications shall be made before the dissemination  
31 of the material and the granting of any award under this  
32 article.

33 (c) The State Department of Education shall  
34 distribute the materials described in subdivision (b) to  
35 school districts. Each school district is strongly  
36 encouraged to ensure that teachers employed by the  
37 district or by charter schools affiliated with the district are  
38 informed about the program and can acquire the  
39 necessary application and information materials.



1 (d) School districts are encouraged to provide for  
2 adequate release time and support for a teacher to  
3 complete the certification process. As a condition to  
4 providing that release time and support, a school district  
5 may require that a teacher serve in a mentor teacher  
6 capacity.

7 (e) For purposes of this article, the following  
8 definitions apply:

9 (1) “School district” means school district, county  
10 board of education, county superintendent of schools, a  
11 state operated program, such as a special school, or an  
12 education program providing instruction in kindergarten  
13 or any of grades 1 to 12, inclusive, that is offered by a state  
14 agency, including the California Youth Authority and the  
15 State Department of Developmental Services.

16 (2) “Low-performing school” means a school in the  
17 bottom half of all schools based on the Academic  
18 Performance Index rankings established pursuant to  
19 subdivision (a) of Section 52056. This designation shall be  
20 determined as of the date of the agreement by the  
21 teacher in paragraph (2) of subdivision (a) of this section.

22 SEC. 5. Section 44396 of the Education Code is  
23 amended to read:

24 44396. (a) (1) To the extent that funds are available  
25 for that purpose, a teacher who meets the criteria  
26 approved by the State Board of Education pursuant to  
27 subdivision (b) of Section 44395 is eligible and may apply  
28 for an award by following the procedures and instructions  
29 developed pursuant to that subdivision.

30 (2) A teacher who attained certification from the  
31 National Board for Professional Teaching Standards  
32 before the effective date of the act adding this section and  
33 who was employed by a school district or charter school  
34 and assigned to teach in a California public school on the  
35 date of certification may apply for an award authorized  
36 pursuant to this article if he or she meets all the other  
37 requirements for that award specified by this article. For  
38 awards pursuant to this subdivision, teaching service  
39 before July 1, 2000, may not be counted toward



1 satisfaction of the teacher’s four-year agreement to teach  
2 in a low-performing school.

3 (b) Teachers shall submit their applications for an  
4 award authorized by this article to the school district  
5 employing them. Teachers employed by a charter school  
6 shall submit their application through the school district  
7 granting the school’s charter.

8 (c) When a school district receives an application for  
9 an award authorized by this article, it shall certify that the  
10 applicant is employed by the district or a charter school  
11 operating under a charter granted by the school district  
12 and that the applicant has met all the criteria established  
13 pursuant to subdivision (b) of Section 44395. The school  
14 district shall then submit the application to the State  
15 Department of Education for its review and approval.

16 (d) The State Department of Education shall approve  
17 applications that meet the criteria established pursuant to  
18 subdivision (b) of Section 44395. To the extent funds are  
19 available, the State Department of Education shall  
20 apportion funds to the appropriate school districts in the  
21 amount of the award authorized by Section 44395 for each  
22 approved application. The school district shall use funds  
23 apportioned to it pursuant to this subdivision to provide  
24 the amount of the award authorized by subdivision (a) of  
25 Section 44395 to each teacher whose application is  
26 approved.

27 SEC. 6. Section 44397 of the Education Code is  
28 amended and renumbered to read:

29 44398. Notwithstanding any provision of law except  
30 Sections 44332.6, 44340, 44346.1, and 44830.1, a teacher  
31 who is licensed to teach in a state other than California  
32 and who is certified by the National Board for  
33 Professional Teaching Standards shall be issued a clear  
34 teaching credential authorizing the teacher to teach in  
35 the subject area in which the teacher has received  
36 national certification.

37 ~~SEC. 7. Section 44397 is added to the Education Code,~~  
38 ~~to read:~~

39 ~~44397. (a) The Commission on Teacher~~  
40 ~~Credentialing shall adopt any rules and regulations it~~



1 ~~deems necessary for the enforcement of the agreement~~  
 2 ~~made pursuant to this article and the recovery of any~~  
 3 ~~funds it determines are owed to the state. The rules and~~  
 4 ~~regulations adopted by the commission pursuant to this~~  
 5 ~~section shall also include a provision authorizing the~~  
 6 ~~commission to impose a civil penalty on a recipient of~~  
 7 ~~funds pursuant to this article, in an amount not to exceed~~  
 8 ~~five thousand dollars (\$5,000) per year for each year or~~  
 9 ~~portion thereof that the recipient of funds is determined~~  
 10 ~~by the commission to have failed to fulfill his or her~~  
 11 ~~commitment to teach in a low performing school~~  
 12 ~~pursuant to Section 44395.~~

13 ~~(b) Any moneys recovered pursuant to this section~~  
 14 ~~shall be deposited into the General Fund.~~

15 ~~SEC. 8.~~

16 *SEC. 7.* Chapter 3.44 (commencing with Section  
 17 44751) is added to Part 25 of the Education Code, to read:

18

19 CHAPTER 3.44. TEACHER RECRUITMENT INCENTIVE  
 20 PROGRAM

21

22 44751. (a) The Teacher Recruitment Incentive  
 23 Program is hereby created, to be administered by the  
 24 Sacramento County Office of Education. The  
 25 Superintendent of Public Instruction shall allocate funds  
 26 appropriated for the purpose of this program to the  
 27 Sacramento County Office of Education, which shall  
 28 allocate those funds as specified in Section 44751.5.

29 (b) For purposes of this chapter, the following terms  
 30 have the following meanings:

31 (1) "Low-performing school" means a school in the  
 32 bottom half of the Academic Performance Index rankings  
 33 established pursuant to subdivision (a) of Section 52052.

34 (2) "Regional teacher recruitment center" means an  
 35 entity operated by a consortium that may include school  
 36 districts, county offices of education, colleges,  
 37 universities, or other public education entities in the  
 38 region to be served.

39 44751.5. The Sacramento County Office of Education  
 40 shall award, by January 1, 2001, six grants on a competitive



1 basis to establish regional teacher recruitment centers.  
2 One region shall serve northern California. Two regions  
3 shall ~~serve Los Angeles~~ *serve the Los Angeles area*. One  
4 region shall serve the Central Valley. One region shall  
5 serve the Inland Empire. One region shall serve San  
6 Diego and Imperial *Counties*.

7 44752. Criteria for awarding the grants shall be  
8 established by the Sacramento County Office of  
9 Education, but shall include, at a minimum, all of the  
10 following:

11 (a) A plan for collaboration among the consortium  
12 members.

13 (b) A recruitment plan of highly effective recruitment  
14 strategies.

15 (c) A focus on recruiting teachers to low-performing  
16 schools, especially those with a teaching staff that has  
17 more than 20-percent emergency permit teachers.

18 44752.5. (a) The amount of an award shall be based  
19 on the number of teachers a regional teacher recruitment  
20 center commits to recruit and shall be no more than  
21 seven hundred dollars (\$700) per recruited teacher. The  
22 Sacramento County Office of Education shall determine  
23 the allocation of grants awards and whether funds should  
24 be provided with a startup grant and then a  
25 reimbursement for teachers recruited, or some other  
26 manner.

27 (b) If the number of teachers needed to be recruited  
28 would result in allocation of funds in excess of available  
29 funding, the regional teacher recruitment centers shall  
30 be allocated funds based on a proration of the number of  
31 teachers needed so as not to exceed available funding.

32 44753. The Sacramento County Office of Education  
33 shall provide statewide oversight and technical assistance  
34 for the regional teacher recruitment centers and perform  
35 the following responsibilities:

36 (a) Provide advice to the CalTeach program within  
37 the California State University system regarding the  
38 regional media campaign for recruiting teachers.

39 (b) Consult with the Commission on Teacher  
40 Credentialing on delivering technical assistance in



1 credentials counseling through the regional teacher  
2 recruitment centers.

3 (c) Develop, publish, and distribute a guide of all  
4 available state-level incentives to attract and retain  
5 teachers.

6 (d) Report teacher placement data to the appropriate  
7 fiscal and policy committees of the Legislature, the Office  
8 of the Secretary for Education, the Department of  
9 Finance, the Legislative Analyst’s Office, and the  
10 Commission on Teacher Credentialing.

11 44753.5. Regional teacher recruitment centers shall  
12 perform the following duties:

13 (a) Employ full-time recruiters to recruit teachers and  
14 provide credential and career counseling to prospective  
15 teachers.

16 (b) Make available information on available  
17 state-funded incentives to potential teachers.

18 (c) Conduct college campus and community-based  
19 information sessions on job opportunities in teaching.

20 (d) Provide outreach to potential teachers using  
21 electronic, print, radio, and other forms of advertising.

22 (e) Screen and distribute applications of prospective  
23 teachers to participating schools.

24 (f) Schedule interviews between prospective teachers  
25 and school administrators.

26 (g) Refer candidates to teacher preparation and  
27 alternative certification programs.

28 (h) Coordinate with the County Office Fiscal Crisis  
29 and Management Assistance Team established pursuant  
30 to Section 42127.8 on the provision of technical assistance  
31 to school districts in methods to streamline the hiring  
32 process.

33 (i) Report regional recruitment data to the  
34 Sacramento County Office of Education as specified in  
35 the grant award.

36 44754. School districts, county offices of education,  
37 colleges, universities, and other public education entities  
38 participating in the Teacher Recruitment Incentive  
39 Program are encouraged to include in their submitted  
40 plans a financial commitment to teacher recruitment.



1 ~~SEC. 9.~~

2 SEC. 8. Chapter 3.55 (commencing with Section  
3 44765) is added to Part 25 of the Education Code, to read:

4

5 CHAPTER 3.55. TEACHING AS A PRIORITY PROGRAM

6

7 44765. The Teaching As A Priority Program is hereby  
8 established, and shall be administered by the Commission  
9 on Teacher Credentialing. Beginning in the 2000–01 fiscal  
10 year, school districts and county offices of education with  
11 low-performing schools are eligible to participate, on a  
12 voluntary basis, in the Teaching As A Priority Program.

13 44765.1. For purposes of this chapter, the following  
14 terms have the following meanings:

15 (a) “Appropriately assigned teacher” ~~is~~ *means* a  
16 certificated person as defined in Section 44006 whose  
17 teaching assignment is consistent with the authorization  
18 of the credential.

19 (b) “Credentialed teacher” ~~is~~ *means* a person who  
20 holds a multiple or single subject teaching credential as  
21 defined in Section 44259, a special education instructional  
22 credential pursuant to Section 44265, or an equivalent  
23 credential issued prior to 1975.

24 (c) “Low-performing school” means a school in the  
25 bottom half of the Academic Performance Index rankings  
26 established pursuant to subdivision (a) of Section 52056.

27 44765.5. A school district or county office of education  
28 with low-performing schools may apply to participate in  
29 the Teaching as a Priority Program. Participation  
30 includes schoolsite incentives for hiring credentialed,  
31 appropriately assigned teachers and for reducing the  
32 number of emergency permit teachers and also includes  
33 required districtwide reductions in the percentage of  
34 emergency permit teachers within specified timelines in  
35 order to maintain incentive funding.

36 44765.7. (a) A low-performing school within a  
37 participating school district shall receive incentives in the  
38 following manner:

39 (1) A three thousand dollar (\$3,000) incentive shall be  
40 provided to a school that ~~is ranked in the bottom 30th~~



1 ~~percentile or below of~~ *has received a score of 3, 2, or 1 on*  
2 the Academic Performance Index as defined in Section  
3 52052 for each fully credentialed, appropriately assigned  
4 teacher who is hired and replaces a teacher who holds an  
5 emergency permit. A school that ~~is ranked in the 40th to~~  
6 ~~the 50th percentile, inclusive, by scores a 4 to 5 on the~~  
7 Academic Performance Index shall receive a two  
8 thousand dollar (\$2,000) incentive for each fully  
9 credentialed, appropriately assigned teacher who is hired  
10 and replaces a teacher who holds an emergency permit.  
11 ~~These funds~~ *Funds received pursuant to this paragraph*  
12 shall be expended at the discretion of the schoolsite for a  
13 one-time purpose to increase the school's ability to attract  
14 and retain teachers, but shall not be used for any form of  
15 teacher compensation.

16 (2) A three thousand dollar (\$3,000) incentive shall be  
17 provided to each fully credentialed, appropriately  
18 assigned teacher who is hired by a participating school  
19 district and replaces a teacher who holds an emergency  
20 permit to teach in a school that ~~is ranked in the bottom~~  
21 ~~30th percentile or below of~~ *has received a score of 3, 2, or*  
22 *1 on the Academic Performance Index as defined in*  
23 Section 52052. Each fully credentialed, appropriately  
24 assigned teacher who is hired by a participating school  
25 district and replaces a teacher who holds an emergency  
26 permit to teach in a school that ~~is ranked in the 40th to the~~  
27 ~~50th percentile, inclusive, by scores a 4 to 5 on the~~  
28 Academic Performance Index shall receive a two  
29 thousand dollar (\$2,000) incentive. ~~This~~ *An* incentive  
30 *received pursuant to this paragraph* shall be used by the  
31 teacher for one-time expenditures for his or her  
32 classroom. These funds shall not be used for any other  
33 form of teacher compensation.

34 (b) A credentialed teacher employed in a school that  
35 is not low performing at the time the act adding this  
36 section is enacted is eligible for incentives if he or she  
37 elects to transfer and become employed in a  
38 low-performing school.



1 (c) A credentialed teacher is not eligible for the  
2 incentives for changing employment between  
3 low-performing schools.

4 (d) A emergency permit teacher employed to teach at  
5 a low-performing school who earns a teaching credential  
6 is eligible for incentives.

7 44766. (a) School districts that participate in the  
8 Teaching as a Priority Program shall demonstrate, on an  
9 annual basis, an absolute one to one reduction in the  
10 number of emergency permitholders for each new  
11 teacher hired under the program. A school district that is  
12 not able to attain the reduction in emergency permit  
13 teachers in the timeline designated shall have its revenue  
14 limit funding reduced on a one-time basis by four  
15 thousand dollars (\$4,000) per emergency permit teacher  
16 in excess of the target, not to exceed the amount of  
17 incentive that has been received for that period.

18 (b) The Commission on Teacher Credentialing shall  
19 assess a school district's progress towards its target each  
20 fiscal year. If a participating school district fails to meet  
21 the target, the commission shall report to the Controller  
22 the amount of funds to be collected from the school  
23 district. The Controller shall withhold from the school  
24 district's next principal apportionment the amount  
25 reported by the Commission on Teacher Credentialing.

26 (c) All schools participating in the Teaching as a  
27 Priority Program shall post in the main office of the school  
28 or other ~~publicly~~ *publicly* accessible area the names of  
29 all teachers employed by the school and the credentials  
30 held by those teachers.

31 ~~SEC. 10.~~

32 *SEC. 9.* Section 69532 of the Education Code is  
33 amended to read:

34 69532. Cal Grant Program awards shall be known as  
35 "Cal Grant A awards," "Cal Grant B awards," "Cal Grant  
36 C awards," and Cal Grant T awards." The maximum  
37 award in each category shall be determined in the annual  
38 Budget Act.

39 (a) Cal Grant A awards shall be used only for tuition  
40 and student fees in an instructional program of no less



1 than two academic years. Commencing as soon as  
2 feasible, but no later than the award cycle that provides  
3 awards for the 1999–2000 academic year, the eligibility  
4 criteria for first-time Cal Grant award recipients who are  
5 community college students and transfer to a four-year  
6 college or university shall be no more stringent than the  
7 eligibility criteria for other first-time Cal Grant award  
8 recipients attending a four-year college or university.

9 (b) Cal Grant B awards shall be used only for tuition,  
10 student fees, and subsistence costs in an instructional  
11 program of no less than one academic year. Subsistence  
12 costs are living expenses, transportation, supplies, and  
13 books. Commencing as soon as feasible, but no later than  
14 the award cycle that provides awards for the 1999–2000  
15 academic year, the eligibility criteria for first-time Cal  
16 Grant award recipients who are community college  
17 students and transfer to a four-year college or university  
18 shall be no more stringent than the eligibility criteria for  
19 other first-time Cal Grant award recipients attending a  
20 four-year college or university.

21 (c) Cal Grant C awards shall be used only for  
22 occupational or technical training in a course of no less  
23 than four months. There shall be a minimum of 1,570 new  
24 Cal Grant C awards each year.

25 (d) Cal Grant T awards shall be used only for tuition  
26 and student fees for a maximum of one academic year of  
27 full-time attendance in a program of professional  
28 preparation that has been approved by the Commission  
29 on Teacher Credentialing. There shall be a minimum of  
30 3,000 new Cal Grant T awards each year. As a condition  
31 of receiving a Cal Grant T award, a recipient shall teach  
32 for one year in a low-performing school as defined in  
33 subdivision (c) of Section 44765 for each two thousand  
34 dollar (\$2,000) incentive provided pursuant to Section  
35 44765.7, for a period not to exceed four years. Any  
36 recipient who fails to meet his or her teaching obligation  
37 shall repay the Cal Grant T award.

38 (e) The California Student Aid Commission shall  
39 evaluate the Cal Grant T Award program from its  
40 inception to determine, of the total number of recipients,



1 the number of recipients who become employed as  
2 public school teachers. This evaluation shall be reported  
3 on an annual basis to the Governor and the Legislature  
4 beginning July 1, 2001.

5 ~~SEC. 11.~~

6 *SEC. 10.* Section 69612 of the Education Code is  
7 amended to read:

8 69612. (a) (1) The Legislature hereby recognizes  
9 that there is a growing shortage of high-quality classroom  
10 teachers, and that there is a need for qualified teachers  
11 throughout California. The Legislature finds one of the  
12 most important elements in a pupil's success at learning  
13 is the quality of the teacher. The teacher shortage is most  
14 serious in particular subject areas, partly due to the  
15 shortage of students in these fields who enter the teaching  
16 profession. The Legislature also recognizes that many  
17 school districts have difficulty recruiting and retaining  
18 high-quality teachers for low-performing schools, for  
19 pupils with special needs, for schools serving rural areas  
20 or large populations of pupils from low-income and  
21 linguistic minority families, and schools with a high  
22 percentage of teachers holding emergency permits.

23 (2) The Legislature finds that the rising costs of higher  
24 education, coupled with a shift in available financial aid  
25 from scholarships and grants to loans, make loan  
26 repayment options an important consideration in a  
27 student's decision to pursue a postsecondary education.  
28 The availability of financial aid and loan repayment  
29 assistance are important considerations for many  
30 students, especially economically disadvantaged  
31 students, in making their educational decisions.

32 (b) It is the intent of the Legislature that the  
33 Assumption Program of Loans for Education be designed  
34 to encourage persons to enter into the teaching  
35 profession in designated subject matter shortage areas  
36 and in schools serving large populations of pupils from  
37 low-income families, schools serving rural areas, schools  
38 with a high percentage of teachers holding emergency  
39 permits, or schools with any or all of these characteristics.



1 It is further the intent of the Legislature in enacting this  
2 article to do all of the following:

3 (1) Provide outstanding postsecondary students,  
4 particularly economically disadvantaged students, with  
5 the assurance of financial assistance to encourage them to  
6 complete postsecondary education programs leading to  
7 teaching credentials, and to seek employment as  
8 teachers.

9 (2) Provide persons who agree to become teacher  
10 trainees or teacher interns in a subject matter shortage  
11 area with the assurance of financial assistance to  
12 encourage them to complete the additional coursework  
13 necessary to obtain a teaching credential.

14 (3) Identify subject matter areas or schools in which  
15 there are shortages of fully credentialed teachers and  
16 provide incentives for persons to obtain teaching  
17 credentials and seek teaching positions in those areas.

18 (4) Identify schools serving rural areas, schools serving  
19 large populations of students from low-income families,  
20 or both, and schools with a high percentage of teachers  
21 holding emergency permits, and provide incentives for  
22 persons to obtain teaching credentials and seek teaching  
23 positions in those schools.

24 (5) Identify low-performing schools and provide  
25 incentives for persons to obtain teaching credentials and  
26 seek teaching positions in those schools. For the purpose  
27 of this article, “low-performing school” means a school in  
28 the bottom half of the Academic Performance Index  
29 rankings established pursuant to subdivision (a) of  
30 Section 52056 at the time that a teacher is hired.

31 ~~SEC. 12.~~

32 *SEC. 11.* Section 69612.5 of the Education Code is  
33 amended to read:

34 69612.5. Commencing with the 2000–01 school year,  
35 all persons eligible to receive conditional warrants for  
36 loan assumptions pursuant to this article shall be persons  
37 who need to complete training or coursework in order to  
38 be fully credentialed and who agree to obtain a credential  
39 and teach in a designated subject matter shortage area or



1 in a school that, at the time that the teacher is hired, meets  
2 any of the following criteria:

3 (a) Serves a large population of pupils from  
4 low-income families.

5 (b) Has a high percentage of teachers holding  
6 emergency permits.

7 (c) Is a low-performing school.

8 ~~SEC. 13.~~

9 *SEC. 12.* Section 69613 of the Education Code is  
10 amended to read:

11 69613. (a) Any person enrolled in an institution of  
12 postsecondary education participating in the loan  
13 assumption program set forth in this article, or any person  
14 who agrees to participate in a teacher trainee or teacher  
15 internship program, may be eligible to receive a  
16 conditional warrant for loan assumption, to be redeemed  
17 pursuant to Section 69613.2 upon becoming employed as  
18 a teacher. In order to be eligible to receive a loan  
19 assumption warrant, an applicant shall satisfy all of the  
20 conditions specified in either subdivision (b) or (c).

21 (b) (1) The applicant has completed at least 60  
22 semester units, or the equivalent, and is enrolled in an  
23 academic program leading to a baccalaureate degree at  
24 a participating institution, or has been admitted to a  
25 program of professional preparation that has been  
26 approved by the Commission on Teacher Credentialing.

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

33 (3) The applicant has been judged by his or her  
34 postsecondary institution to have outstanding ability on  
35 the basis of criteria that may include, but need not be  
36 limited to, any of the following:

37 (A) Grade point average.

38 (B) Test scores.

39 (C) Faculty evaluations.

40 (D) Interviews.



1 (E) Other recommendations.

2 (4) In order to meet the costs associated with  
3 obtaining a baccalaureate degree, or a California  
4 teaching credential, the applicant has received, or is  
5 approved to receive, a loan under one or more of the  
6 following designated loan programs:

7 (A) The Federal Family Education Loan Program (20  
8 U.S.C. Sec. 1071 et seq.).

9 (B) Any loan program approved by the Student Aid  
10 Commission.

11 (5) The applicant has agreed to teach in a public school  
12 in this state for at least four consecutive academic years  
13 after obtaining a teaching credential.

14 (c) (1) The applicant holds a baccalaureate degree  
15 and agrees to participate in a teacher trainee program or  
16 teacher internship program, or is a person who will  
17 continue to be employed full time in a field other than  
18 teaching while completing the necessary coursework for  
19 a teaching credential, or is a noncredentialed teaching  
20 paraprofessional, as described in Section 44323, who will  
21 continue to serve as a teaching paraprofessional while  
22 completing the necessary coursework for a California  
23 teaching credential.

24 (2) (A) The applicant is enrolled in, or has been  
25 admitted to, a participating institution and agrees to  
26 maintain satisfactory academic progress in an academic  
27 program leading to a baccalaureate degree or in a  
28 program of professional preparation that has been  
29 approved by the Commission on Teacher Credentialing,  
30 and the applicant satisfies the conditions specified in  
31 paragraphs (3), (4), and (5) of subdivision (b).

32 (B) No applicant who has completed fewer than 60  
33 units, or the equivalent, shall be eligible under this  
34 subdivision to participate in the loan assumption program  
35 set forth in this article.

36 (d) The warrants distributed each year pursuant to  
37 subdivisions (b) and (c) at each participating institution  
38 shall be awarded by that institution to applicants who  
39 meet the criteria specified in Section 69612.5 and agree to  
40 teach in a designated shortage area or any of the types of



1 schools that meet the criteria listed in that section. The  
2 warrant shall remain valid even if the subject area under  
3 which an applicant became eligible for a warrant ceases  
4 to be a designated shortage field by the time the applicant  
5 becomes a teacher.

6 (e) A person participating in the program pursuant to  
7 this section shall not receive more than one warrant.

8 (f) The Student Aid Commission shall adopt rules and  
9 regulations regarding the reallocation of warrants where  
10 a participating institution is unable to utilize its allocated  
11 warrants or is unable to distribute them within a  
12 reasonable period of time.

13 ~~SEC. 14.~~

14 *SEC. 13.* Section 69613.1 of the Education Code is  
15 amended to read:

16 69613.1. The Superintendent of Public Instruction  
17 shall furnish the Student Aid Commission with all of the  
18 following:

19 (a) Commencing January 1, 1990, and every January 1  
20 thereafter, a list of teaching fields that have the most  
21 critical shortage of teachers. The superintendent shall  
22 review this list annually and revise the list as he or she  
23 deems necessary.

24 (b) A list of schools that serve a large population of  
25 pupils from low-income families, as designated for  
26 purposes of the Perkins Loan Program, or according to  
27 other standards the superintendent deems appropriate.

28 (c) Commencing January 31, 2000, and every January  
29 1, thereafter, a list of schools with a high percentage of  
30 teachers holding emergency permits. The list shall be  
31 established according to criteria determined by the  
32 Superintendent of Public Instruction.

33 (d) Commencing January 31, 2000, and every January  
34 1, thereafter, a list of schools serving rural areas. The list  
35 shall be established according to standards deemed  
36 appropriate by the Superintendent of Public Instruction.

37 (e) Commencing January 31, 2001, and every January  
38 1, thereafter, a list of low-performing schools.

39 ~~SEC. 15.~~



1 SEC. 14. Section 69613.3 of the Education Code is  
2 repealed.

3 ~~SEC. 16.~~

4 SEC. 15. Section 69613.5 of the Education Code is  
5 amended to read:

6 69613.5. (a) Notwithstanding Sections 69612.5 and  
7 69614, for the purposes of the recruitment of teachers  
8 from outside California, the commission may distribute  
9 warrants to school districts to be awarded to out-of-state  
10 teachers who fulfill the terms of Section 69613.4. A  
11 teacher who receives a warrant pursuant to this  
12 subdivision shall hold a valid teaching credential, in the  
13 subject area of the California teaching position, from the  
14 state in which he or she resides.

15 (b) The commission shall adopt rules and regulations  
16 regarding the allocation of warrants to school districts  
17 pursuant to this section.

18 ~~SEC. 17.~~

19 SEC. 16. Section 69613.55 of the Education Code is  
20 repealed.

21 ~~SEC. 18.~~

22 SEC. 17. Section 69613.6 of the Education Code is  
23 amended to read:

24 69613.6. (a) Except as provided in subdivision (b), if  
25 a program participant fails to complete a minimum of  
26 four consecutive school years of classroom instruction as  
27 required by this article, under the terms of the agreement  
28 pursuant to paragraph (5) of subdivision (b) of Section  
29 69613, the participant shall assume full liability for all  
30 student loan obligations remaining after the commission's  
31 assumption of loan liability for the last year of qualifying  
32 teaching service pursuant to Section 69613.

33 (b) Notwithstanding subdivision (a), if a program  
34 participant becomes unable to complete one of the four  
35 consecutive years of teaching service due to serious  
36 illness, pregnancy, or other natural causes, the participant  
37 shall receive a deferral of the resumption of full liability  
38 for the loan for a period not to exceed one calendar year.

39 ~~SEC. 19.~~



1 SEC. 18. Section 69614 of the Education Code is  
2 amended to read:

3 69614. (a) The Student Aid Commission shall  
4 distribute program information and student applications  
5 to participate in the loan assumption program to all  
6 postsecondary institutions eligible to participate in state  
7 and federal financial aid programs and having a program  
8 of professional preparation that has been approved by the  
9 Commission on Teacher Credentialing. Each eligible  
10 institution shall receive at least one application, and the  
11 remainder shall be distributed to eligible institutions  
12 proportionate to the number of teaching candidates from  
13 each institution who were fully credentialed during the  
14 previous year. In addition, the Student Aid Commission  
15 shall reexamine its outreach and marketing strategies to  
16 inform both potential undergraduates and persons  
17 employed outside of academia about the availability and  
18 benefits of the loan assumption program. To this end, the  
19 commission shall enlist the advice and support of the  
20 California Center on Teaching Careers, the University of  
21 California, the California State University, the  
22 Association of Independent California Colleges and  
23 Universities, and private employers and their associations  
24 throughout the state.

25 (b) Each participating institution shall sign an  
26 institutional agreement with the commission, certifying  
27 its intent to administer the loan assumption program  
28 according to all applicable published rules, regulations,  
29 and guidelines, and to make special efforts to notify  
30 students regarding the availability of the program,  
31 particularly economically disadvantaged students.

32 (c) To the extent feasible, each participating  
33 institution shall coordinate the loan assumption program  
34 with other existing programs designed to recruit or  
35 encourage students to enter the teaching profession.  
36 These programs may include, but need not be limited to,  
37 student internships in school districts, courses that  
38 provide early exploratory or field work experience in  
39 elementary or secondary schools, and work-study  
40 employment in elementary or secondary schools.



1 ~~SEC. 20.~~

2 *SEC. 19.* Section 69615.4 of the Education Code is  
3 amended to read:

4 69615.4. The commission shall report annually to the  
5 Legislature regarding all of the following, on the basis of  
6 sex, age, and ethnicity:

7 (a) The total number of warrants awarded.

8 (b) The number of warrants allocated each to juniors,  
9 seniors, students enrolled in teacher training programs,  
10 and persons who agree to enroll in teacher trainee  
11 programs or teacher internship programs.

12 (c) The number of warrants awarded to applicants  
13 who pursue a credential in a subject matter shortage area.

14 (d) The number of warrants awarded to applicants  
15 who agree to teach in schools with a high ratio of pupils  
16 from low-income families and low-performing schools.

17 (e) The number of warrants awarded to applicants  
18 who agree to teach in schools serving rural areas.

19 (f) The number of warrants awarded to applicants  
20 who agree to teach in schools with a high percentage of  
21 teachers holding emergency permits.

22 (g) The number of warrants that are redeemed by the  
23 initial recipients.

24 ~~SEC. 21.~~

25 *SEC. 20.* Section 69615.6 of the Education Code is  
26 amended to read:

27 69615.6. (a) Beginning no later than the 1986–87  
28 school year, and each school year thereafter up to and  
29 including the 1997–98 school year, the commission shall  
30 issue warrants for the assumption of up to 500 student  
31 loans for program participants eligible under this article.

32 (b) For the 1998–99 school year, the commission shall  
33 issue warrants for the assumption of up to 4,500 student  
34 loans for program participants eligible under this article.

35 (c) For the 1999–2000 school year the commission shall  
36 issue warrants for the assumption of up to 5,500 student  
37 loans for program participants eligible under this article.

38 (d) Commencing with the 2000–01 school year, and  
39 each school year thereafter, the following shall apply:



1 (1) The commission shall issue warrants for the  
2 assumption of up to 6,500 student loans for program  
3 participants eligible under this article.

4 (2) Notwithstanding the limitation of 6,500 warrants  
5 set forth in paragraph (1), the commission shall issue  
6 warrants in a quantity determined by the Governor and  
7 the Legislature in the annual Budget Act for the  
8 assumption of student loans.

9 (3) Notwithstanding Sections 69613.5 and 69614, up to  
10 100 of the 6,500 warrants issued pursuant to this  
11 subdivision may be issued for the assumption of student  
12 loans for applicants who agree to teach in school districts  
13 serving rural areas.

14 (e) The issuance of warrants shall be subject to  
15 funding to be provided in the Budget Act for each fiscal  
16 year.

17 ~~SEC. 22.~~

18 *SEC. 21.* Article 21 (commencing with Section 70000)  
19 is added to Chapter 2 of Part 42 of the Education Code,  
20 to read:

21

22 Article 21. Governor's Teaching Fellowships

23

24 70000. (a) The Governor's Teaching Fellowships  
25 Program is hereby established to be administered by the  
26 Chancellor's Office of the California State University. The  
27 chancellor's office shall collaborate with the University of  
28 California, the California Community Colleges, the  
29 Association of Independent California Colleges and  
30 Universities, the State Department of Education, and the  
31 Commission on Teacher Credentialing to ensure that  
32 access to the fellowships is available to students in a  
33 variety of teaching preparation programs.

34 (b) In January 2001, 250 nonrenewable graduate  
35 teaching fellowships in the amount of twenty thousand  
36 dollars (\$20,000) each shall be awarded, with funds  
37 disbursed half in January 2001 and half in September 2001.

38 (c) Beginning in the 2001-02 fiscal year, 1,000  
39 nonrenewable, graduate teaching fellowships in the



1 amount of twenty thousand dollars (\$20,000) each shall be  
2 awarded annually.

3 (d) The fellowship award may be used to defer tuition  
4 for a teacher certification program at any accredited  
5 postsecondary institution in California and for living  
6 expenses while enrolled in that program.

7 70001. (a) The Chancellor’s Office of the California  
8 State University shall have the following duties:

9 (1) Developing an application process that establishes  
10 a merit-based fellowship program for graduate students  
11 who agree to teach at a low-performing school for four  
12 years.

13 (2) Establishing a broad and effective outreach effort  
14 to promote the availability and the merits of the  
15 fellowship program.

16 (3) Conducting the selection process for fellowship  
17 applicants.

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

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

25 (A) Previous academic and employment record.

26 (B) A demonstrated commitment to serve in a  
27 low-performing school.

28 (C) Faculty and employer evaluations.

29 (D) Interviews.

30 (E) Letters of recommendation.

31 (b) For the purposes of this article, a “low-performing  
32 school” is a school in the bottom half of the Academic  
33 Performance Index rankings established pursuant to  
34 subdivision (a) of Section 52056. If a school meets this  
35 criteria at the time a teacher is hired, continued  
36 employment of the teacher at that school fulfills the  
37 commitment made by the teacher, even if the school  
38 improves its rank on the Academic Performance Index.

39 70002. An intersegmental review committee is  
40 hereby established to review all applications for the



1 Governor’s Teaching Fellowships. The committee shall  
2 recommend teaching fellowship candidates to the  
3 Chancellor’s Office of the California State University. The  
4 committee shall consist of 12 members, appointed by the  
5 Governor to a term of four years, based on  
6 recommendations as follows:

7 (a) The Chancellor of the California State University  
8 shall recommend six members. Two shall be faculty  
9 members. One shall be an administrator from higher  
10 education. One shall be an administrator from a school  
11 maintaining kindergarten or any of grades 1 to 12,  
12 inclusive. Two shall be teachers from schools maintaining  
13 kindergarten or any of grades 1 to 12, inclusive.

14 (b) The President of the University of California shall  
15 recommend three members. One shall be a faculty  
16 member. One shall be an administrator from either  
17 higher education or schools maintaining kindergarten or  
18 any of grades 1 to 12, inclusive. One shall be an  
19 elementary or secondary teacher.

20 (c) The Chair of the Association of Independent  
21 California Colleges and Universities shall recommend  
22 three members. One shall be a faculty member. One shall  
23 be an administrator from either higher education or  
24 schools maintaining kindergarten or any of grades 1 to 12,  
25 inclusive. One shall be an elementary or secondary  
26 teacher.

27 70003. (a) A fellowship recipient shall agree to teach  
28 in a low-performing school for four years and shall have  
29 four years, upon completion of his or her preparation  
30 program, to meet that obligation. Except as provided in  
31 subdivision (c), a fellowship recipient shall agree to repay  
32 the state five thousand dollars (\$5,000) annually for each  
33 year the recipient fails to complete either the teacher  
34 preparation program or the required teaching service, up  
35 to full repayment of twenty thousand dollars (\$20,000).

36 (b) Nonperformance of the commitment to teach in a  
37 low-performing school for four years shall be certified by  
38 the Commission on Teacher Credentialing to the  
39 chancellor’s office.



1 (c) Any exceptions to the requirement for repayment  
2 shall be defined by the chancellor’s office.

3 70004. The Trustees of the California State University  
4 shall provide an annual report, for each higher education  
5 institution, on the number of fellows receiving funding,  
6 the number of fellows completing programs, and the  
7 place of employment for each candidate.

8 70005. (a) The Chancellor’s Office of the California  
9 State University shall adopt any rules and regulations it  
10 deems necessary for the administration of this section and  
11 the recovery of funds it determines are owed to the state.  
12 The rules and regulations adopted by the chancellor’s  
13 office pursuant to this section shall also include a  
14 provision authorizing the chancellor’s office to ~~impose~~  
15 *seek* a civil penalty on a recipient of funds under this  
16 program, in an amount not to exceed five thousand  
17 dollars (\$5,000) per year for each year that the recipient  
18 of funds is determined by the Commission on Teacher  
19 Credentialing to have failed to fulfill his or her obligation  
20 to teach in a low-performing school.

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

24 ~~SEC. 23.~~

25 *SEC. 22.* Chapter 9.5 (commencing with Section  
26 51460) is added to Part 3 of Division 31 of the Health and  
27 Safety Code, to read:

28

29 CHAPTER 9.5. NEIGHBORHOOD TEACHERS PROGRAM

30

31 51460. (a) It is the intent of the Legislature that an  
32 affordable homebuyer housing down payment assistance  
33 program be implemented to address the needs associated  
34 with recruiting and retaining public school teachers in  
35 the state.

36 (b) The Department of Housing and Community  
37 Development shall contract with the California Housing  
38 Finance Agency for the administration of the program  
39 established by this chapter. The California Housing  
40 Finance Agency shall administer these programs and



1 allocate funds in accordance with that agency’s authority  
2 as set forth in Part 3 (commencing with Section 50900) of  
3 Division 31.

4 51461. For the purposes of this chapter, the following  
5 terms have the following definitions:

6 (a) “Low-performing school” means a public school in  
7 the bottom half of the Academic Performance Index  
8 rankings established pursuant to subdivision (a) of  
9 Section 52056 of the Education Code. This designation  
10 shall be determined as of the date of the application for  
11 a loan pursuant to this chapter.

12 (b) “Teacher” means a person who is currently  
13 employed as a full-time teacher in a low-performing  
14 school and who holds the appropriate credential for the  
15 subject and grade level the teacher is assigned to teach.

16 (c) “Termination of employment” means the  
17 borrower is no longer meeting, for whatever reason, each  
18 of the elements of the definition of “teacher” at any time  
19 during the first five years immediately following the date  
20 of recordation of the subordinate mortgage loan deed of  
21 trust. However, a termination of employment does not  
22 occur if the borrower is still employed at the same school  
23 as at the time of recordation of the subordinate mortgage  
24 loan and the school is no longer a low-performing school  
25 or if the borrower accepts a teaching position at another  
26 public school and the teacher’s departure from the  
27 low-performing school was involuntary. The agency may  
28 establish guidelines for consideration of hardship cases in  
29 which it may waive this five-year continuous  
30 employment requirement.

31 51462. (a) The agency shall administer a  
32 Neighborhood Teachers Program in accordance with this  
33 chapter for the purpose of providing down payment  
34 assistance to teachers for the purchase of a residence  
35 located in this state. The agency may originate and  
36 service loans and establish, by board resolution,  
37 guidelines for administration and implementation of this  
38 program.

39 (b) Down payment assistance shall be in the form of  
40 a deferred-payment, low-interest subordinate mortgage



1 loan in second lien position and with a term not longer  
2 than the term of the first mortgage loan. Notwithstanding  
3 this section and subdivision (b) of Section 51463, the  
4 subordinate mortgage loan may be in a lower than second  
5 position only so long as the liens to which the subordinate  
6 mortgage loan is junior are California Housing Finance  
7 Agency mortgage liens. Interest on this subordinate  
8 mortgage loan shall accrue at a rate determined by the  
9 agency. The maximum down payment assistance to any  
10 borrower provided shall not exceed ten thousand dollars  
11 (\$10,000).

12 (c) All allocations and repayments shall be used for the  
13 purposes of this program, including administrative costs.

14 51463. (a) To qualify for a loan under this chapter,  
15 the borrower and the residence being financed shall meet  
16 the following criteria at the time the assistance is  
17 provided:

18 (1) The borrower shall be a teacher as defined in  
19 subdivision (b) of Section 51460.

20 (2) The residence financed shall be intended to be the  
21 borrower's primary residence.

22 (3) The residence being financed shall be a  
23 single-family residence, condominium, or manufactured  
24 housing located within the State of California.

25 (b) The borrower's obligation to repay the assistance  
26 received pursuant to this chapter shall be evidenced by  
27 a lien subordinate in priority only to the borrower's first  
28 mortgage lien.

29 51464. (a) To qualify for forgiveness for repayment  
30 of the assistance provided under this chapter, a teacher  
31 shall meet the following continued eligibility  
32 requirements on a continuous basis for five years  
33 following the date of recordation of the lien or deed of  
34 trust evidencing this assistance:

35 (1) The borrower shall continuously occupy the  
36 residence being purchased and financed under this  
37 chapter as his or her principal residence.

38 (2) The borrower may not have a termination of  
39 employment, as defined in subdivision (c) of Section  
40 51461.



1 (b) If the borrower meets the continued eligibility  
2 requirements of subdivision (a) for the full five-year  
3 continued eligibility period, repayment of the assistance  
4 shall be forgiven and considered a grant so long as the  
5 borrower produces documentation sufficient to the  
6 agency's satisfaction that the continued eligibility  
7 requirements of occupancy and employment have been  
8 met during that five-year period.

9 (c) Repayment of the principal and accrued interest  
10 shall be due and payable at the earlier of the following  
11 events:

12 (1) Transfer of title.

13 (2) Sale of the residence.

14 (3) Payoff of the first mortgage loan.

15 (d) The agency may agree to subordinate its lien if  
16 there is a refinancing of the borrower's first mortgage lien  
17 at any time during the first five-year continued eligibility  
18 period if the following conditions are met:

19 (1) The borrower has been occupying, and intends to  
20 continuously occupy, the residence as his or her principal  
21 residence.

22 (2) There has not been a termination of employment.

23 The agency shall require immediate repayment of  
24 amounts then owed if there is a refinancing of the first  
25 mortgage and these conditions are not met or if there is  
26 a refinancing that occurs after the five-year continued  
27 eligibility period.

28 (e) In the event of termination of employment by the  
29 borrower or the borrower's failure to continuously  
30 occupy the financed residence as his or her principal  
31 residence during the first five years following recordation  
32 of the subordinate mortgage loan deed of trust, the  
33 borrower shall be obligated to repay to the agency, in  
34 addition to other amounts due on the loan, the pro rata  
35 amount of principal and accrued interest on the loan  
36 which directly relates to the period of time within that  
37 five-year period in which the borrower failed to satisfy  
38 each of requirements set forth in subdivision (a).

39 (f) To qualify for any forgiveness of repayment of the  
40 loan, the borrower shall produce documentation to the



1 agency's satisfaction that all of the conditions specified in  
2 subdivision (a) have been met for the period for which  
3 the forgiveness of the loan is sought.

4 51465. The agency shall have all of the powers  
5 conferred upon it by Part 3 (commencing with Section  
6 50900) of Division 31 of the Health and Safety Code in  
7 administering this chapter.

8 ~~SEC. 24.~~

9 *SEC. 23.* This act is an urgency statute necessary for  
10 the immediate preservation of the public peace, health,  
11 or safety within the meaning of Article IV of the  
12 Constitution and shall go into immediate effect. The facts  
13 constituting the necessity are:

14 In order to implement the Budget Act of 2000 with  
15 respect to the public schools and institutions of higher  
16 education, it is necessary that this act take effect  
17 immediately.

