

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 527

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-8,134,
2 79-8,137, 79-8,137.02, 79-8,137.03, 79-8,137.04, and 79-8,137.05,
3 Reissue Revised Statutes of Nebraska; to change provisions relating
4 to the Attracting Excellence to Teaching Program and the Enhancing
5 Excellence in Teaching Program; to harmonize provisions; and to
6 repeal the original sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-8,134, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 79-8,134 The purposes of the Attracting Excellence to Teaching
4 Program are to:

5 (1) Attract outstanding students to major in shortage areas at the
6 teacher education programs of Nebraska's postsecondary educational
7 institutions;

8 (2) Retain resident students and graduates as teachers in the
9 accredited school districts, educational services units, and private
10 schools or approved ~~public and~~ private schools of Nebraska; and

11 (3) Establish a loan contract that requires a borrower to obtain
12 employment as a teacher in this state after graduation.

13 Sec. 2. Section 79-8,137, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to
16 the Attracting Excellence to Teaching Program, an eligible student shall
17 enter into a contract with the department. ~~Such contract shall provide~~
18 ~~notice to the eligible student that funding for loans pursuant to the~~
19 ~~Attracting Excellence to Teaching Program terminates on June 30, 2016.~~
20 Such contract shall be exempt from the requirements of sections 73-501 to
21 73-510.

22 (b) For eligible students who applied for the first time prior to
23 April 23, 2009, the contract shall require that if (i) the borrower is
24 not employed as a teacher in Nebraska for a time period equal to the
25 number of years required for loan forgiveness pursuant to subsection (2)
26 of this section and is not enrolled as a full-time student in a graduate
27 program within six months after obtaining an undergraduate degree for
28 which a loan from the program was obtained or (ii) the borrower does not
29 complete the requirements for graduation within five consecutive years
30 after receiving the initial loan under the program, then the loan must be
31 repaid, with interest at the rate fixed pursuant to section 45-103

1 accruing as of the date the borrower signed the contract, and an
2 appropriate penalty as determined by the department may be assessed. If a
3 borrower fails to remain enrolled at an eligible institution or otherwise
4 fails to meet the requirements of an eligible student, repayment of the
5 loan shall commence within six months after such change in eligibility.
6 The State Board of Education may by rules and regulations provide for
7 exceptions to the conditions of repayment pursuant to this subdivision
8 based upon mitigating circumstances.

9 (c) For eligible students who apply for the first time on or after
10 April 23, 2009, the contract shall require that if (i) the borrower is
11 not employed as a full-time teacher teaching in an approved or accredited
12 school in Nebraska and teaching at least a portion of the time in the
13 shortage area for which the loan was received for a time period equal to
14 the number of years required for loan forgiveness pursuant to subsection
15 (3) of this section or ~~and~~ is not enrolled as a full-time student in a
16 graduate program within six months after obtaining an undergraduate
17 degree for which a loan from the program was obtained or (ii) the
18 borrower does not complete the requirements for graduation within five
19 consecutive years after receiving the initial loan under the program,
20 then the loan shall be repaid with interest at the rate fixed pursuant to
21 section 45-103 accruing as of the date the borrower signed the contract
22 and actual collection costs as determined by the department. If a
23 borrower fails to remain enrolled at an eligible institution or otherwise
24 fails to continue to be an eligible student, repayment of the loan shall
25 commence within six months after such change in eligibility. The State
26 Board of Education may by rule and regulation provide for exceptions to
27 the conditions of repayment pursuant to this subdivision based upon
28 mitigating circumstances.

29 (2) If the borrower applied for the first time prior to April 23,
30 2009, and (a) successfully completes the teacher education program and
31 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes

1 employed as a teacher in this state within six months of becoming
2 certified, and (c) otherwise meets the requirements of the contract,
3 payments shall be suspended for the number of years that the borrower is
4 required to remain employed as a teacher in this state under the
5 contract. For each year that the borrower teaches in Nebraska pursuant to
6 the contract, payments shall be forgiven in an amount equal to the amount
7 borrowed for one year, except that if the borrower teaches in a school
8 district that is in a local system classified as very sparse as defined
9 in section 79-1003 or teaches in a school district in which at least
10 forty percent of the students are poverty students as defined in section
11 79-1003, payments shall be forgiven each year in an amount equal to the
12 amount borrowed for two years.

13 (3)(a) If the borrower applies for the first time on or after April
14 23, 2009, and (i a) successfully completes the teacher education program
15 and major for which the borrower is receiving a forgivable loan pursuant
16 to the program and becomes certified pursuant to sections 79-806 to
17 79-815 with an endorsement in the shortage area for which the loan was
18 received, (ii b) becomes employed as a full-time teacher teaching at
19 least a portion of the time in the shortage area for which the loan was
20 received in an approved or accredited school in this state within six
21 months of becoming certified, and (iii e) otherwise meets the
22 requirements of the contract, payments shall be suspended for the number
23 of years that the borrower is required to remain employed as a teacher in
24 this state under the contract.

25 (b) For funds received prior to July 1, 2016, beginning Beginning
26 after the first two years of teaching full-time in Nebraska following
27 graduation for the degree for which the loan was received, for each year
28 that the borrower teaches full-time in Nebraska pursuant to the contract,
29 the loan shall be forgiven in an amount equal to three thousand dollars,
30 except that if the borrower teaches full-time in a school district that
31 is in a local system classified as very sparse as defined in section

1 79-1003, teaches in a school building in which at least forty percent of
2 the formula students are poverty students as defined in section 79-1003,
3 or teaches in an accredited or approved private school in Nebraska in
4 which at least forty percent of the enrolled students qualified for free
5 lunches as determined by the most recent data available from the
6 department, payments shall be forgiven each year in an amount equal to
7 six thousand dollars.

8 (c) For funds received on or after July 1, 2016, beginning after the
9 first year of teaching full-time in Nebraska following graduation for the
10 degree for which the loan was received, for each year that the borrower
11 teaches full-time in Nebraska pursuant to the contract, the loan shall be
12 forgiven in an amount equal to three thousand dollars, except that if the
13 borrower teaches full-time in a school district that is in a local system
14 classified as very sparse as defined in section 79-1003, teaches in a
15 school building in which at least forty percent of the formula students
16 are poverty students as defined in section 79-1003, or teaches in an
17 accredited private school or educational service unit or an approved
18 private school in Nebraska in which at least forty percent of the
19 enrolled students qualified for free lunches as determined by the most
20 recent data available from the department, payments shall be forgiven
21 each year in an amount equal to six thousand dollars.

22 Sec. 3. Section 79-8,137.02, Reissue Revised Statutes of Nebraska,
23 is amended to read:

24 79-8,137.02 The purposes of the Enhancing Excellence in Teaching
25 Program are to:

26 (1) Retain teachers in the accredited school districts, educational
27 services units, and private schools or approved ~~public and~~ private
28 schools of Nebraska;

29 (2) Improve the skills of existing teachers in Nebraska through the
30 graduate education programs of Nebraska's postsecondary educational
31 institutions; and

1 (3) Establish a loan contract that requires a borrower to continue
2 employment as a teacher in this state after graduation from an eligible
3 graduate program.

4 Sec. 4. Section 79-8,137.03, Reissue Revised Statutes of Nebraska,
5 is amended to read:

6 79-8,137.03 (1) The department shall administer the Enhancing
7 Excellence in Teaching Program either directly or by contracting with
8 public or private entities.

9 (2) To be eligible for the program, an eligible student shall:

10 (a) Agree to complete an eligible graduate program at an eligible
11 institution and to complete the major on which the applicant's
12 eligibility is based as determined by the department; and

13 (b) Commit to teach in an accredited or approved public or private
14 school in Nebraska upon successful completion of the eligible graduate
15 program for which the applicant is applying to the Enhancing Excellence
16 in Teaching Program and to maintaining certification pursuant to sections
17 79-806 to 79-815.

18 (3) Eligible students may apply on an annual basis for loans in an
19 amount of not more than two hundred fifty ~~one hundred seventy-five~~
20 dollars per credit hour. Loans awarded to individual students shall not
21 exceed a cumulative period exceeding five consecutive years. Loans shall
22 only be awarded through the department. Loans shall be funded pursuant to
23 section 79-8,137.05.

24 Sec. 5. Section 79-8,137.04, Reissue Revised Statutes of Nebraska,
25 is amended to read:

26 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to
27 the Enhancing Excellence in Teaching Program, an eligible student shall
28 enter into a contract with the department. ~~Such contract shall provide~~
29 ~~notice to the eligible student that funding for loans pursuant to the~~
30 ~~Enhancing Excellence in Teaching Program terminates on June 30, 2016.~~
31 Such contract shall be exempt from the requirements of sections 73-501 to

1 73-510. The contract shall require that if (a) the borrower is not
2 employed as a full-time teacher teaching in an approved or accredited
3 school in Nebraska for a time period equal to the number of years
4 required for loan forgiveness pursuant to subsection (2) of this section
5 or (b) the borrower does not complete the requirements for graduation
6 within five consecutive years after receiving the initial loan under the
7 program, then the loan shall be repaid, with interest at the rate fixed
8 pursuant to section 45-103 accruing as of the date the borrower signed
9 the contract and actual collection costs as determined by the department.
10 If a borrower fails to remain enrolled at an eligible institution or
11 otherwise fails to meet the requirements of an eligible student,
12 repayment of the loan shall commence within six months after such change
13 in eligibility. The State Board of Education may by rules and regulations
14 provide for exceptions to the conditions of repayment pursuant to this
15 subsection based upon mitigating circumstances.

16 (2)(a) If the borrower (i a) successfully completes the eligible
17 graduate program and major for which the borrower is receiving a
18 forgivable loan pursuant to the Enhancing Excellence in Teaching Program
19 and maintains certification pursuant to sections 79-806 to 79-815, (ii b)
20 maintains employment as a teacher in an approved or accredited school in
21 this state, and (iii c) otherwise meets the requirements of the contract,
22 payments shall be suspended for the number of years that the borrower is
23 required to remain employed as a teacher in this state under the
24 contract.

25 (b) For funds received prior to July 1, 2015, beginning Beginning
26 after the first two years of teaching full-time in Nebraska following
27 graduation for the degree for which the loan was received, for each year
28 that the borrower teaches full-time in Nebraska pursuant to the contract,
29 the loan shall be forgiven in an amount equal to three thousand dollars,
30 except that if the borrower teaches full-time in a school district that
31 is in a local system classified as very sparse as defined in section

1 79-1003, teaches in a school building in which at least forty percent of
2 the students are poverty students as defined in section 79-1003, or
3 teaches in an accredited or approved private school in Nebraska in which
4 at least forty percent of the enrolled students qualified for free
5 lunches as determined by the most recent data available from the
6 department, payments shall be forgiven each year in an amount equal to
7 six thousand dollars.

8 (c) For funds received on or after July 1, 2016, beginning after the
9 first year of teaching full-time in Nebraska following graduation for the
10 degree for which the loan was received, for each year that the borrower
11 teaches full-time in Nebraska pursuant to the contract, the loan shall be
12 forgiven in an amount equal to one thousand five hundred dollars, except
13 that if the borrower teaches full-time in a school district that is in a
14 local system classified as very sparse as defined in section 79-1003,
15 teaches in a school building in which at least forty percent of the
16 formula students are poverty students as defined in section 79-1003, or
17 teaches in an accredited private school or educational service unit or an
18 approved private school in Nebraska in which at least forty percent of
19 the enrolled students qualified for free lunches as determined by the
20 most recent data available from the department, payments shall be
21 forgiven each year in an amount equal to one thousand five hundred
22 dollars for the first year and three thousand dollars for each year
23 thereafter.

24 Sec. 6. Section 79-8,137.05, Reissue Revised Statutes of Nebraska,
25 is amended to read:

26 79-8,137.05 (1) The Excellence in Teaching Cash Fund is created. The
27 fund shall consist of appropriations by the Legislature, transfers
28 pursuant to section 9-812, and loan repayments, penalties, and interest
29 payments received in the course of administering the Attracting
30 Excellence to Teaching Program and the Enhancing Excellence in Teaching
31 Program.

1 (2) For all fiscal years ~~except fiscal years 2011-12 and 2012-13,~~
2 the department shall allocate on an annual basis up to four hundred
3 thousand dollars in the aggregate of the funds to be distributed for the
4 Attracting Excellence to Teaching Program to all eligible institutions
5 according to the distribution formula as determined by rule and
6 regulation. The eligible institutions shall act as agents of the
7 department in the distribution of the funds for the Attracting Excellence
8 to Teaching Program to eligible students. The department shall allocate
9 on an annual basis up to eight hundred thousand dollars of the remaining
10 available funds to shall be distributed by the department to eligible
11 students for the Enhancing Excellence in Teaching Program. Funding
12 amounts granted in excess of one million two hundred thousand dollars
13 shall be evenly divided for distribution between the two programs.

14 ~~(3) For fiscal years 2011-12 and 2012-13, the department shall~~
15 ~~allocate on an annual basis funds to be distributed for the Attracting~~
16 ~~Excellence to Teaching Program to all eligible institutions receiving~~
17 ~~applications from eligible students for loans to be received during such~~
18 ~~fiscal years. The distribution for each of fiscal years 2011-12 and~~
19 ~~2012-13 shall be proportional based on the amounts applied for by~~
20 ~~eligible students at each institution, except that no more than one~~
21 ~~hundred percent of such amounts shall be distributed. The eligible~~
22 ~~institutions shall act as agents of the department in the distribution of~~
23 ~~the funds for the Attracting Excellence to Teaching Program to eligible~~
24 ~~students.~~

25 (3 4) Any money remaining in the fund on August 1, 2016, shall be
26 transferred to the Nebraska Education Improvement Fund on such date.

27 (4 5) Any money in the Excellence in Teaching Cash Fund available
28 for investment shall be invested by the state investment officer pursuant
29 to the Nebraska Capital Expansion Act and the Nebraska State Funds
30 Investment Act.

31 Sec. 7. Original sections 79-8,134, 79-8,137, 79-8,137.02,

1 79-8,137.03, 79-8,137.04, and 79-8,137.05, Reissue Revised Statutes of
2 Nebraska, are repealed.