

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB665**

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**Hearing Date:** Monday February 02, 2009  
**Committee On:** Education  
**Introducer:** Janssen  
**One Liner:** Adopt the Teacher Shortage Loan Repayment Act

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**Roll Call Vote - Final Committee Action:**  
Indefinitely postponed

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**Vote Results:**

<b>Aye:</b>	7	Senators Adams, Ashford, Cornett, Giese, Haar, Howard, Sullivan
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Avery
<b>Present Not Voting:</b>		

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**Proponents:**

Senator Charlie Janssen  
Jay Sears  
Doug Nabb  
Janis McKenzie

**Representing:**

Introducer  
Nebraska State Education Assoc  
Fremont Public School  
AICUN

**Opponents:**

Jeremy Murphy

**Representing:**

Nebraska Catholic Conference

**Neutral:**

Marshall Hill

**Representing:**

Coordinating Commission for Postsecondary Education

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**Summary of purpose and/or changes:**

Legislative Bill 665 would create the Teacher Shortage Loan Repayment Act to be administered by the Coordinating Commission for Post-secondary Education. The Act would provide forgivable loans to students in teacher education programs.

Applicants would be required to be Nebraska residents or graduates of Nebraska high schools. Qualified applicants would be required to:

1. Be enrolled in good standing in a teacher education program at the University, a state college, or a private post-secondary educational institution in Nebraska;
2. Satisfactorily complete at least 60 credit hours before the first semester for which application is made; and
3. Apply for federal financial assistance.

Subject to the availability of funds, the Commission would be authorized to grant loans to qualified applicants to pay the unmet financial need for attendance at the teacher education program shown in the application. The Commission would determine the unmet financial need.

For applicants at the University or a state college, a loan could not exceed the cost of tuition and required fees, minus any Pell Grant, other federal financial assistance grant, and employer-based post-secondary educational assistance.

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For applicants at private institutions, a loan could not exceed the cost of tuition and mandatory fees for the teacher education program for the same number of credit hours for a full-time, resident, undergraduate student at the University of Nebraska-Lincoln, minus any Pell Grant, other federal financial assistance grant, and employer-based post-secondary educational assistance.

Loans could only be used for educational expenses for an approved teacher education program, with such use subject to review by the Commission. Each loan would be for 1 academic year.

Recipients could repay the loan by teaching at least 50% of their working hours as a certified teacher in a Nebraska public school district. To qualify as repayment, the work would need to be performed within 2 years plus the minimum amount of time necessary to repay the loan, beginning with the calendar month following the month the recipient completes the teacher education program. Qualified work would be credited such that the loan balance is reduced by one academic year of full-time enrollment for each year of full-time employment as a teacher of one of the designated subjects. Qualified work would be credited on a proportional basis.

Recipients who fails to complete the teacher education program would be required to commence cash repayment no later than 45 days after leaving the program. Recipients who fails to obtain employment as a certificated teacher within 240 days after obtaining the appropriate certification would be required to commence cash repayment within 285 days after certification. Recipients who fails to obtain the appropriate certification within 180 days after completion of the teacher education program would immediately commence cash repayment.

Loan repayment options could be deferred for up to 5 years while a recipient is serving on full-time active duty with the U.S. military.

The Teacher Shortage Loan Repayment Program Fund would be created to consist of appropriations, funds received as gifts or grants, and cash repayments. Any money available for investment would be invested pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

The Commission would be required to adopt and promulgate rules and regulations to implement the Act and to establish terms and conditions of loans. The conditions would include, but not be limited to:

1. Interest rates and loan terms;
2. The form and process for loan application, review, and award; and
3. Criteria under which recipients could be excused from repaying loans, in whole or in part, in cases of undue hardship.

The Commission would annually review the program and report to the Governor and Legislature regarding program results, funds received, loans issued, and the status of outstanding loan commitments and repayments. The report would also include information submitted by the State Board of Education regarding the impact on identified teacher shortage areas and recommendations for modifications to address other identified shortage areas. The suggested modifications could include funding levels.

The Act would terminate on June 30, 2011, except that:

1. Recipients would continue to received funding long as they remain eligible; and
2. Repayment of loans would continue until all loan obligations have been satisfied.

An intent is stated for the Legislature to appropriate \$150,000 for 2009-10 to the carry out the Act.

Section 85-1412 would be amended by adding the administration of the Act to the duties of the Commission.

