

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 665

Introduced by Janssen, 15.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to postsecondary education; to amend section
2 85-1412, Reissue Revised Statutes of Nebraska; to adopt
3 the Teacher Shortage Loan Repayment Act; to provide for
4 appropriations; to harmonize provisions; and to repeal
5 the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known and
2 may be cited as the Teacher Shortage Loan Repayment Act.

3 Sec. 2. The Teacher Shortage Loan Repayment Program is
4 created. The program shall be administered by the Coordinating
5 Commission for Postsecondary Education.

6 Sec. 3. (1) An applicant to the Teacher Shortage Loan
7 Repayment Program shall be a resident of Nebraska or a graduate
8 of a Nebraska high school and shall apply to the program on
9 a form provided by the Coordinating Commission for Postsecondary
10 Education.

11 (2) To qualify for a loan under the program, an applicant
12 shall:

13 (a) Be enrolled in good standing in a teacher education
14 program at the University of Nebraska, a state college, or a
15 private postsecondary educational institution in Nebraska which
16 grants, at a minimum, baccalaureate degrees;

17 (b) Satisfactorily complete the course work for no fewer
18 than sixty credit hours prior to the first semester for which
19 application to the Teacher Shortage Loan Repayment Program is made;
20 and

21 (c) Apply for federal postsecondary educational financial
22 assistance.

23 (3) Subject to the availability of funds appropriated
24 for the program, the commission may grant loans to qualified
25 applicants pursuant to the Teacher Shortage Loan Repayment Program

1 to pay the unmet financial need, as determined by the commission,
2 of attendance at the teacher education program shown in the
3 application.

4 (4) (a) For an applicant enrolled at the University of
5 Nebraska or a state college, a loan provided under this section
6 shall not exceed the cost of tuition and required fees for the
7 teacher education program shown in the application, reduced by the
8 amount of any Pell Grant or other federal postsecondary educational
9 financial assistance grant and any employer-based postsecondary
10 educational financial assistance received by the applicant.

11 (b) For an applicant enrolled at a private postsecondary
12 educational institution, the loan shall not exceed the cost of
13 tuition and mandatory fees for the teacher education program that
14 would have been accrued by the student for the same number of
15 credit hours if the student were enrolled in the program as a
16 full-time, resident, undergraduate student from the University of
17 Nebraska-Lincoln, reduced by the amount of any Pell Grant or other
18 federal postsecondary educational financial assistance grant and
19 any employer-based postsecondary educational financial assistance
20 received by the applicant.

21 (5) Loans received under the act shall be used only for
22 educational expenses for an approved teacher education program. The
23 use of such loan funds by a student is subject to review by the
24 commission.

25 (6) Each loan shall be for one academic year.

1 Sec. 4. (1) A recipient of a loan under the Teacher
2 Shortage Loan Repayment Act may repay the loan without cash payment
3 by teaching at least fifty percent of his or her working hours as a
4 certified teacher in a Nebraska public school district as provided
5 in subsection (2) of this section. To qualify as repayment under
6 this subsection, work shall be performed within the minimum amount
7 of time necessary to repay the loan plus two years which shall
8 begin with the calendar month following the month in which the
9 recipient completes the teacher education program.

10 (2) Qualified work under subsection (1) of this section
11 shall be credited such that the recipient's loan balance is reduced
12 on the basis of one year of full-time employment as a teacher
13 of one of the subjects listed in subsection (1) of this section
14 repaying the loan balance for one academic year of full-time
15 enrollment in the teacher education program. Qualified work shall
16 be credited on a proportional basis to the loan balance.

17 Sec. 5. (1) Any recipient of a loan under the Teacher
18 Shortage Loan Repayment Act who fails to complete the teacher
19 education program for which the loan was provided shall commence
20 cash repayment of the loan no later than forty-five days after the
21 recipient leaves the teacher education program.

22 (2) Any recipient of a loan under the act who fails
23 to obtain employment as a certificated teacher within two
24 hundred forty days after successfully obtaining the appropriate
25 certification under sections 79-802 to 79-815 shall commence cash

1 repayment of the loan within two hundred eighty-five days after
2 certification.

3 (3) Any recipient of a loan under the act who fails
4 to obtain the appropriate certification under sections 79-802 to
5 79-815 within one hundred eighty days after completion of the
6 teacher education program shall immediately commence cash repayment
7 of the loan.

8 (4) Cash repayment of loans and interest thereon shall be
9 credited to the Teacher Shortage Loan Repayment Program Fund.

10 Sec. 6. Loan repayment options under the Teacher Shortage
11 Loan Repayment Act may be deferred for a period not to exceed five
12 years while a loan recipient is serving on full-time active duty
13 with any branch of the military services of the United States.

14 Sec. 7. The Teacher Shortage Loan Repayment Program
15 Fund is created. The fund shall consist of appropriations by the
16 Legislature, funds received as gifts or grants from any source, and
17 cash repayments made pursuant to section 5 of this act. Any money
18 in the fund available for investment shall be invested by the state
19 investment officer pursuant to the Nebraska Capital Expansion Act
20 and the Nebraska State Funds Investment Act.

21 Sec. 8. (1) The Coordinating Commission for Postsecondary
22 Education shall adopt and promulgate rules and regulations to
23 implement the Teacher Shortage Loan Repayment Act and shall
24 establish terms and conditions of loans issued under the act,
25 including, but not limited to, (a) interest rates and loan terms,

1 (b) the form and process for loan application, review, and award,
2 and (c) criteria under which loan recipients may be excused from
3 having to repay loans and interest thereon, in whole or in part, in
4 cases of undue hardship.

5 (2) The commission shall annually review the Teacher
6 Shortage Loan Repayment Program and report to the Governor and
7 the Legislature regarding program results, funds received, and
8 loans issued during the preceding academic year, together with the
9 status of all outstanding loan commitments and repayments under the
10 program. The report required under this subsection shall include
11 information submitted by the State Board of Education regarding
12 the impact of the program on identified teacher shortage areas and
13 recommendations for modifications to the program, including funding
14 levels, to address other identified teacher shortage areas.

15 Sec. 9. The Teacher Shortage Loan Repayment Act
16 terminates June 30, 2011, except that: (1) Any person who receives
17 a loan under the act shall continue to receive funding pursuant to
18 the program as long as he or she remains eligible and (2) repayment
19 of loans provided under the act shall continue until all loan
20 obligations have been satisfied.

21 Sec. 10. It is the intent of the Legislature to
22 appropriate \$150,000 for FY2009-10 to the Coordinating Commission
23 for Postsecondary Education to carry out the Teacher Shortage Loan
24 Repayment Act.

25 Sec. 11. Section 85-1412, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 85-1412 The commission shall have the following
3 additional powers and duties:

4 (1) Conduct surveys and studies as may be necessary to
5 undertake the coordination function of the commission pursuant
6 to section 85-1403 and request information from governing
7 boards and appropriate administrators of public institutions and
8 other governmental agencies for research projects. All public
9 institutions and governmental agencies receiving state funds
10 shall comply with reasonable requests for information under this
11 subdivision. Public institutions may comply with such requests
12 pursuant to section 85-1417;

13 (2) Recommend to the Legislature and the Governor
14 legislation it deems necessary or appropriate to improve
15 postsecondary education in Nebraska and any other legislation it
16 deems appropriate to change the role and mission provisions in
17 sections 85-917 to 85-966.01;

18 (3) Establish any advisory committees as may be necessary
19 to undertake the coordination function of the commission pursuant
20 to section 85-1403 or to solicit input from affected parties
21 such as students, faculty, governing boards, administrators
22 of the public institutions, administrators of the private
23 nonprofit institutions of postsecondary education and proprietary
24 institutions in the state, and community and business leaders
25 regarding the coordination function of the commission;

1 (4) Participate in or designate an employee or employees
2 to participate in any committee which may be created to prepare
3 a coordinated plan for the delivery of educational programs and
4 services in Nebraska through the telecommunications system;

5 (5) Seek a close liaison with the State Board of
6 Education and the State Department of Education in recognition
7 of the need for close coordination of activities between elementary
8 and secondary education and postsecondary education;

9 (6) Administer the Integrated Postsecondary Education
10 Data System or other information system or systems to provide the
11 commission with timely, comprehensive, and meaningful information
12 pertinent to the exercise of its duties. The information system
13 shall be designed to provide comparable data on each public
14 institution. The commission shall also administer the uniform
15 information system prescribed in sections 85-1421 to 85-1427 known
16 as the Nebraska Educational Data System. Public institutions shall
17 supply the appropriate data for the information system or systems
18 required by the commission;

19 (7) Administer the Access College Early Scholarship
20 Program Act and the Nebraska Scholarship Act;

21 (8) Accept and administer loans, grants, and programs
22 from the federal or state government and from other sources, public
23 and private, for carrying out any of its functions, including
24 the administration of privately endowed scholarship programs. Such
25 loans and grants shall not be expended for any other purposes than

1 those for which the loans and grants were provided. The commission
2 shall determine eligibility for such loans, grants, and programs,
3 and such loans and grants shall not be expended unless approved by
4 the Governor;

5 (9) Consistent with section 85-1620, approve, in a
6 timely manner, new baccalaureate degree programs to be offered
7 at private postsecondary career schools as defined in section
8 85-1603. The commission may charge a reasonable fee based on
9 its administrative costs for authorizations pursuant to this
10 subdivision and section 85-1620. The commission shall report such
11 action to the Commissioner of Education;

12 (10) Pursuant to sections 85-1101 to 85-1104, authorize
13 out-of-state institutions of higher or postsecondary education to
14 offer courses or degree programs in this state;

15 (11) Pursuant to sections 85-1105 to 85-1111, approve
16 or disapprove petitions to establish new private colleges in this
17 state;

18 (12) On or before December 1, 2000, and on or before
19 December 1 every two years thereafter, submit to the Legislature
20 and the Governor a report of its objectives and activities and
21 any new private colleges in Nebraska and the implementation of any
22 recommendations of the commission for the preceding two calendar
23 years;

24 (13) Provide staff support for interstate compacts on
25 postsecondary education; ~~and~~

1 (14) Request inclusion of the commission in any existing
2 grant review process and information system; and-

3 (15) Administer the Teacher Shortage Loan Repayment Act.

4 Sec. 12. Original section 85-1412, Reissue Revised
5 Statutes of Nebraska, is repealed.