#### **BILL ANALYSIS**

Senate Research Center 80R4819 CAS-D S.B. 1488 By: Patrick, Dan S/C on Higher Education 4/3/2007 As Filed

#### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, there is no program established to provide scholarships to college students who agree to teach in public schools in this state in areas that have teacher shortages. A scholarship program is needed to address the high cost of higher education for those pursuing a career as an educator and to promote teaching in areas with shortages of public school teachers.

As proposed, S.B. 1488 creates a undergraduate education scholarship program for students who agree to teach in public schools in this state in areas that have teacher shortages. This bill structures this scholarship as a zero-interest loan that will be forgiven completely once the recipient completes four consecutive school years of employment teaching in one or more public schools in this state selected from among schools anticipated by the Texas Education Agency (TEA) to have shortages of teachers and completes four additional consecutive school years teaching in any public school in this state. This bill authorizes the scholarship to be used at either public or private institutions of higher education in this state. Finally, this bill sets forth academic and contractual eligibility requirements and grants the Texas Higher Education Coordinating Board rulemaking authority to implement the program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.9837, Education Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 61, Education Code, by adding Subchapter FF, as follows:

# SUBCHAPTER FF. UNDERGRADUATE EDUCATION SCHOLARSHIP PROGRAM FOR TEACHERS AT PUBLIC SCHOOLS WITH TEACHER SHORTAGES

Sec. 61.9831. SCHOLARSHIP PROGRAM; AMOUNT OF SCHOLARSHIP. (a) Requires the Texas Higher Education Coordinating Board (THECB), in accordance with this subchapter and THECB rules, to establish and administer a program to award scholarships to undergraduate students who are enrolled in educator preparation programs provided by public or private institutions of higher education in this state and who agree to teach for a specified period in the public schools in this state that are determined by the Texas Education Agency (TEA) to have shortages of teachers.

- (b) Sets forth the criteria for determining the amount of a scholarship under this subchapter for an academic year.
- (c) Authorizes a student to use a scholarship under this subchapter only to pay tuition for a semester credit hour that is required for completion of the educator preparation program in which the student is enrolled.
- (d) Requires TEA, for purposes of this subchapter and not later than April 1 of each school year, to determine which public schools in this state are anticipated to have shortages of teachers during the following school year and to provide that information to THECB and to each educator preparation program in this state accredited by the State Board of Educator Certification.

- Sec. 61.9832. ELIGIBILITY; LIMITATION ON NUMBER OF SCHOLARSHIPS. (a) Sets forth the requirements for a person to be eligible to receive a scholarship under this subchapter.
  - (b) Authorizes not more than 4,000 scholarships to be awarded under this subchapter for an academic year.
  - (b-1) Provides that this subsection expires September 1, 2011. Prohibits, notwithstanding Subsection (b), certain numbers of scholarships from being awarded for the 2008-2009, 2009-2010, and 2010-2011 academic years.
  - (c) Requires THECB, if in any year the amount of money available for scholarships under this subchapter is insufficient to award a scholarship to each eligible applicant or if there are more eligible applicants than the number of scholarships authorized by this section, to establish criteria, including certain criteria, to determine which eligible applicants will be granted scholarships as THECB determines appropriate to further the purposes of this subchapter.
- Sec. 61.9833. AGREEMENT REQUIREMENTS. (a) Requires a person to enter into a written agreement with THECB as provided by this section to qualify for a scholarship under this subchapter. Sets forth the requirements and conditions to be included within the written agreement.
  - (b) Provides that for purposes of Subsection (a)(5)(A), if a person is employed as a teacher in a public school anticipated to have a shortage of teachers in the first year of employment, each subsequent year of continuous employment as a teacher in that school is considered to be employment in a school anticipated to have a shortage of teachers in that year, regardless of whether TEA anticipated that the school would have a shortage of teachers in that year.
  - (c) Requires THECB to determine the terms of the promissory note required by Subsection (a)(7). Requires the terms to be the same, to the extent practicable, as those applicable to state or federally guaranteed student loans made at the same time.
- Sec. 61.9834. EXCEPTIONS TO TEACHING AND REPAYMENT OBLIGATIONS. (a) Sets forth certain conditions for which a person is not considered to be in violation of the teaching obligation in the agreement described by Section 61.9833.
  - (b) Excuses a person from the repayment obligation in a promissory note described by Section 61.9833 if the person becomes permanently totally disabled as established by the affidavit of a qualified physician or if THECB waives repayment in the case of extreme hardship to the person.
- Sec. 61.9835. FORGIVENESS OF REPAYMENT OBLIGATION. Requires THECB to forgive 25 percent of the total amount required to be repaid according to the promissory note under Section 61.9833 for each complete school year the person teaches in accordance with the agreement under Section 61.9833 after the expiration of the period described by Subsection (a)(5)(A) of that section.
- Sec. 61.9836. GRANTS, GIFTS, AND DONATIONS. Authorizes THECB to solicit and accept grants, gifts, and donations from any public or private source for the purposes of this subchapter, in addition to money appropriated by the legislature.
- Sec. 61.9837. RULES. (a) Requires THECB to adopt certain rules to administer this subchapter.
  - (b) Requires THECB to distribute to each educator preparation program of a public or private institution of higher education in this state a copy of the rules adopted under this section.

SECTION 2. Requires THECB to adopt rules for the undergraduate education scholarship program under Subchapter FF, Chapter 61, Education Code, as added by this Act, not later than December 31, 2007.

SECTION 3. Effective date: upon passage or September 1, 2007.