

AMENDED IN ASSEMBLY FEBRUARY 1, 2016

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE APRIL 7, 2015

AMENDED IN SENATE MARCH 18, 2015

**SENATE BILL**

**No. 62**

---

---

**Introduced by Senators Pavley, Block, and Huff**

**(Coauthors: Senators *Allen, Hancock, Hertzberg, Vidak, and Wieckowski*)**

(Coauthors: Assembly Members *Chu, Dodd, Cristina Garcia, Olsen, and Rodriguez*)

December 30, 2014

---

---

An act to amend Sections 69612, 69612.5, 69613, 69613.1, and 69615.4 of, to add Section 69615.9 to, to repeal Section 69613.8 of, and to repeal and add ~~Sections~~ *Section* 69613.7 and 69615.8 of, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 62, as amended, Pavley. Student financial aid: Assumption Program of Loans for Education: Governor's Teaching Fellowships Program.

Existing law establishes the Assumption Program of Loans for Education, administered by the Student Aid Commission, under which any person enrolled in a participating institution of postsecondary education, or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher if he or she satisfies certain conditions. Existing law prohibits the commission from awarding more

~~than the number of loan assumption agreements that are authorized by the Governor and the Legislature in the annual Budget Act, as provided.~~

This bill would, among other things, require a program participant to teach in a teaching field with a critical shortage of teachers and to demonstrate financial need, revise the information that the Superintendent is required to furnish to the commission annually regarding the program, and make conforming changes. The bill would require the program to continue to be implemented as it read on January 1, 2015, for specified purposes relating to loan assumption agreements entered into before that date, ~~and would make further implementation of the program contingent upon an appropriation in the annual Budget Act or another measure. To the extent that funding is provided, the bill would require that not more than 1,000 loan assumption agreements be awarded in any academic year.~~ *date.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 69612 of the Education Code is amended  
2 to read:  
3 69612. (a) The Legislature finds and declares all of the  
4 following:  
5 (1) The growing shortage of high-quality teachers is most serious  
6 in particular subject areas, partly due to the shortage of students  
7 in these fields who enter the teaching profession.  
8 (2) Many school districts have difficulty recruiting and retaining  
9 high-quality teachers for pupils with special needs, for schools  
10 serving rural areas or large populations of pupils from low-income  
11 and linguistic minority families, and for schools with a high  
12 percentage of teachers holding emergency-type permits.  
13 (3) The rising costs of higher education, coupled with a shift in  
14 available financial aid from scholarships and grants to loans, make  
15 the availability of financial aid and loan repayment assistance  
16 options an important consideration in a student's decision to pursue  
17 a postsecondary education.  
18 (b) It is, therefore, the intent of the Legislature that the  
19 Assumption Program of Loans for Education be designed to  
20 provide outstanding postsecondary students, particularly  
21 economically disadvantaged students, with the assurance of

1 financial assistance to encourage them to complete postsecondary  
2 education programs leading to teaching credentials, and to seek  
3 employment as teachers in designated subject-matter shortage  
4 areas and self-contained classrooms or in schools serving a large  
5 population of pupils from low-income families or schools with a  
6 high percentage of teachers holding emergency-type permits.

7 SEC. 2. Section 69612.5 of the Education Code is amended to  
8 read:

9 69612.5. For purposes of this article, the following terms have  
10 the following definitions:

11 (a) “Eligible institution” means a postsecondary institution that  
12 is determined by the Student Aid Commission to meet both of the  
13 following requirements:

14 (1) The institution is eligible to participate in state and federal  
15 financial aid programs.

16 (2) The institution maintains a program of professional  
17 preparation that has been approved by the Commission on Teacher  
18 Credentialing.

19 (b) “Eligible school” means a school that meets any of the  
20 following criteria:

21 (1) It serves a percentage of unduplicated pupils, as defined in  
22 Section 42238.02, as determined by the Superintendent of Public  
23 Instruction.

24 (2) The institution has 20 percent or more teachers holding  
25 emergency-type permits including, but not limited to, any of the  
26 following:

27 (A) Provisional internships.

28 (B) Short-term staff permits.

29 (C) Credential waivers.

30 (D) Substitute permits.

31 (3) It is a school that serves a rural area.

32 SEC. 3. Section 69613 of the Education Code is amended to  
33 read:

34 69613. (a) Program participants shall meet all of the following  
35 eligibility criteria prior to selection in the program and shall  
36 continue to meet these criteria, as appropriate, during the payment  
37 periods:

38 (1) The applicant has completed at least 60 semester units, or  
39 the equivalent, and is enrolled in an academic program leading to  
40 a baccalaureate degree at an eligible institution, has agreed to

1 participate in a teacher internship program, or has been admitted  
2 to a program of professional preparation that has been approved  
3 by the Commission on Teacher Credentialing.

4 (2) The applicant is currently enrolled in, or has been admitted  
5 to, a program in which he or she will be enrolled on at least a  
6 half-time basis, as determined by the participating institution. The  
7 applicant shall agree to maintain satisfactory academic progress  
8 and a minimum of half-time enrollment, as defined by the  
9 participating eligible institution.

10 (A) Except as provided in subparagraphs (B) and (C), if a person  
11 participating in the program fails to maintain at least half-time  
12 enrollment, as required by this article, under the terms of the  
13 agreement pursuant to paragraph (2), the loan assumption  
14 agreement shall be invalidated and the participant shall retain full  
15 liability for all student loan obligations. This subparagraph shall  
16 not apply if the participant is in his or her final semester or quarter  
17 in school and has no additional coursework required to obtain his  
18 or her teaching credential.

19 (B) Notwithstanding subparagraph (A), if a program participant  
20 is unable to maintain at least half-time enrollment due to serious  
21 illness, pregnancy, or other natural causes, or is called to active  
22 military duty status, the participant is not required to retain full  
23 liability for the student loan obligation for a period not to exceed  
24 one calendar year, unless approved by the commission for a longer  
25 period.

26 (C) If a natural disaster prevents a program participant from  
27 maintaining at least half-time enrollment due to the interruption  
28 of instruction at the eligible institution, the term of the loan  
29 assumption agreement shall be extended for a period not to exceed  
30 one calendar year, unless approved by the commission for a longer  
31 period.

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

36 (A) Grade point average.

37 (B) Test scores.

38 (C) Faculty evaluations.

39 (D) Interviews.

40 (E) Other recommendations.

1 (4) The applicant has received, or is approved to receive, an  
2 educational loan from a program approved by the Student Aid  
3 Commission.

4 (5) The applicant has agreed to teach full time for at least four  
5 consecutive academic years, or on a part-time basis for the  
6 equivalent of four full-time academic years, after obtaining a  
7 teaching credential in a public elementary or secondary school in  
8 this state, in a subject area that is designated as a current or  
9 projected shortage area by the Superintendent of Public Instruction,  
10 or, on the date the teacher is hired, at an eligible school.

11 (6) The applicant has demonstrated financial need.

12 (b) An agreement shall remain valid even if the subject area  
13 under which an applicant becomes eligible to enter into an  
14 agreement ceases to be a designated shortage field by the time the  
15 applicant becomes a teacher.

16 (c) For the purposes of calculating eligible years of teaching for  
17 the redemption of an award, the inclusion by the Superintendent  
18 of Public Instruction of a school on a list prepared pursuant to  
19 Section 69613.1 shall apply retroactively from the date the school  
20 first opened.

21 (d) A person participating in the program pursuant to this section  
22 shall not enter into more than one agreement.

23 (e) A person participating in the program pursuant to this section  
24 shall not owe a refund on any state or federal educational grant or  
25 have defaulted on any student loan.

26 SEC. 4. Section 69613.1 of the Education Code is amended to  
27 read:

28 69613.1. On or before January 1 of each year, the  
29 Superintendent of Public Instruction shall furnish the commission  
30 with all of the following:

31 (a) A list of teaching fields that have the most critical shortage  
32 of teachers. The Superintendent shall review this list annually and  
33 revise the list as he or she deems necessary. The list of shortage  
34 areas furnished pursuant to this subdivision shall include the state  
35 special schools as a category separate from special education.

36 (b) A list of schools that serve a large population of pupils from  
37 low-income families, as determined by eligibility for supplemental  
38 funding under the local control funding formula or according to  
39 standards the Superintendent deems appropriate.

1 (c) A list of schools with a high percentage of teachers holding  
2 emergency-type permits. The list shall be established according  
3 to criteria determined by the Superintendent.

4 (d) A list of schools serving rural areas. The list shall be  
5 established according to standards deemed appropriate by the  
6 Superintendent.

7 SEC. 5. Section 69613.7 of the Education Code is repealed.

8 SEC. 6. Section 69613.7 is added to the Education Code, to  
9 read:

10 69613.7. In addition to the amounts set forth in subdivision (a)  
11 of Section 69613.4, for each of the four years of classroom  
12 instruction referenced in that subdivision, loan assumption benefits  
13 shall be granted as follows:

14 (a) One thousand dollars (\$1,000) of additional liability per year  
15 shall be assumed for a person who holds a credential appropriate  
16 for teaching, and who teaches mathematics, science, or special  
17 education.

18 (b) One thousand dollars (\$1,000) of additional liability per year  
19 shall be assumed for a person who teaches in a school in the lowest  
20 two deciles on the Academic Performance Index rankings.  
21 Eligibility for the benefit set forth in this subdivision shall be  
22 limited to a person who holds a credential appropriate for teaching,  
23 and who teaches mathematics, science, or special education.

24 (c) Not more than a total of five million dollars (\$5,000,000)  
25 shall be expended in any academic year for purposes of this section.

26 (d) The commission shall award benefits payable under this  
27 section upon receipt of all documentation necessary to establish  
28 eligibility for the additional loan assumption benefits. Payments  
29 shall be made to applicants in the order that full documentation is  
30 received until the five million dollars (\$5,000,000) authorized by  
31 subdivision (c) has been expended.

32 SEC. 7. Section 69613.8 of the Education Code is repealed.

33 SEC. 8. Section 69615.4 of the Education Code is amended to  
34 read:

35 69615.4. The commission shall report annually to the  
36 Legislature regarding all of the following, on the basis of sex, age,  
37 and ethnicity:

38 (a) The total number of program participants.

1 (b) The number of agreements entered into with juniors, seniors,  
2 students enrolled in teacher training programs, and persons who  
3 agree to enroll in teacher internship programs.

4 (c) The number of participants who agree to teach in a subject  
5 matter shortage area.

6 (d) The number of participants who agree to teach in schools  
7 serving rural areas.

8 (e) The number of participants who agree to teach in schools  
9 with a high percentage of teachers holding provisional internship  
10 permits.

11 (f) The number of participants who receive a loan assumption  
12 benefit, classified by payment year.

13 (g) The number of out-of-state teachers who enter into  
14 agreements.

15 (h) The number of participants who have participated in teacher  
16 internship programs, classified by school district or county office  
17 of education.

18 ~~SEC. 9. Section 69615.8 of the Education Code is repealed.~~

19 ~~SEC. 10. Section 69615.8 is added to the Education Code, to~~  
20 ~~read:~~

21 ~~69615.8. This article shall be implemented upon an~~  
22 ~~appropriation specifically for its purposes in the annual Budget~~  
23 ~~Act or another measure. To the extent that funding is provided,~~  
24 ~~not more than 1,000 loan assumption agreements shall be awarded~~  
25 ~~in any academic year for purposes of this article.~~

26 ~~SEC. 11.~~

27 *SEC. 9.* Section 69615.9 is added to the Education Code, to  
28 read:

29 69615.9. The commission shall continue to implement the  
30 program as it read on January 1, 2015, for the allocation of funds  
31 for loan assumption agreements made before January 1, 2015, and  
32 collecting payments from former program participants required to  
33 repay program costs as of January 1, 2016, for failing to satisfy  
34 the program's requirements.