



February 8, 2013

HOUSE BILL No. 1443

DIGEST OF HB 1443 (Updated February 5, 2013 1:45 pm - DI 116)

Citations Affected: IC 21-13; IC 21-18.5.

Synopsis: Teacher loan repayment; teacher academy. Provides an educational loan repayment for a public elementary or high school teacher who: (1) have been in the highest 20% of their high school graduating classes or in the top twentieth percentile on the SAT or ACT examination; (2) graduate from college with at least a 3.5 grade point average; and (3) teach science, technology, engineering, mathematics, or special education, or in a critical shortage geographic area; in a public school in Indiana. Provides that at the end of the third consecutive year the teacher teaches, the commission for higher education makes a payment of \$9,000 or the balance of the teacher's student loans (whichever is lesser) directly to the financial institution that holds the teacher's student loans.

Effective: July 1, 2013.

**Moed, Arnold L, VanDenburgh,
Huston**

January 23, 2013, read first time and referred to Committee on Education.
February 7, 2013, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

C
O
P
Y

HB 1443—LS 7186/DI 71+



February 8, 2013

First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

C
O
P
Y

HOUSE BILL No. 1443

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-13-7 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2013]:
4 **Chapter 7. Teacher Loan Repayment Program and Fund**
5 **Sec. 1. As used in this chapter, "critical shortage area" means**
6 **a geographic area determined annually by the department of**
7 **education established by IC 20-19-3-1 to have, or projected within**
8 **the next twelve (12) months to have, a shortage of licensed,**
9 **full-time elementary or high school teachers.**
10 **Sec. 2. As used in this chapter, "fund" refers to the teacher loan**
11 **repayment fund established by section 4 of this chapter.**
12 **Sec. 3. (a) The teacher loan repayment fund is established.**
13 **(b) The purpose of the fund is to attract qualified teachers who:**
14 **(1) graduated from an accredited Indiana high school after**
15 **June 30, 2013, and either:**
16 **(A) were in the highest twenty percent (20%) of students**
17 **in their high school graduating classes; or**

HB 1443—LS 7186/DI 71+



- 1 (B) received scores in the top twentieth percentile on the
 2 SAT or ACT examination;
 3 (2) graduated from a four-year post-secondary educational
 4 institution with at least a 3.5 grade point average on a 4.0
 5 scale or its equivalent; and
 6 (3) teach:
 7 (A) for at three (3) consecutive years in public schools in
 8 Indiana; and
 9 (B) science, technology, engineering, mathematics, or
 10 special education classes, or in a critical shortage area;
 11 by granting loan repayment assistance authorized under this
 12 chapter to eligible applicants.
 13 (c) The fund consists of appropriations to the fund and gifts,
 14 grants, devises, or bequests made to the state to achieve the
 15 purposes of the fund.
 16 (d) The fund shall be administered by the commission. The
 17 expenses of administering the fund shall be paid from money in the
 18 fund.
 19 (e) Loan repayment assistance payments shall be made from the
 20 fund by the treasurer of state upon a warrant issued by the auditor
 21 of state in accordance with rules adopted by the commission.
 22 Sec. 4. The commission shall receive and consider all
 23 applications for loan repayment assistance received from qualified
 24 teachers with outstanding guaranteed student loans made, issued,
 25 or guaranteed under a program authorized by Title IV of the
 26 federal Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).
 27 Sec. 5. (a) To qualify for loan repayment assistance for student
 28 loans under this chapter, an applicant must:
 29 (1) hold a license to teach under IC 20-28-5;
 30 (2) agree in writing to the employment requirements set forth
 31 in section 7 of this chapter; and
 32 (3) meet any additional criteria established by the
 33 commission.
 34 (b) At the end of the third consecutive school year in which a
 35 teacher who qualifies under subsection (a) has taught, the
 36 commission shall pay directly to the financial institution that holds
 37 the qualified teacher's student loans an amount not to exceed the
 38 lesser of:
 39 (1) the total principal and interest of the guaranteed student
 40 loans owed by the teacher at the end of the third year; or
 41 (2) nine thousand dollars (\$9,000);
 42 which must be used to reduce the principal and interest on a

C
O
P
Y



1 guaranteed student loan owed by that qualified teacher.

2 **Sec. 6. A qualified teacher must apply for a loan repayment on**
 3 **a form supplied by the commission. The commission shall consider**
 4 **each application and determine the eligibility of the applicant for**
 5 **the loan repayment assistance.**

6 **Sec. 7. (a) Before being granted loan repayment assistance**
 7 **under this chapter, a teacher must:**

8 (1) **apply for the loan repayment assistance not later than**
 9 **twenty-four (24) months after graduating from a**
 10 **post-secondary educational institution; and**

11 (2) **enter into a contract with the commission agreeing to the**
 12 **terms and conditions upon which the loan repayment**
 13 **assistance will be granted to the teacher.**

14 (b) **As a condition of being granted loan repayment assistance**
 15 **under this chapter, a teacher must agree to employment for a**
 16 **period of at least three (3) consecutive years as a licensed teacher**
 17 **in a public school in Indiana in science, technology, engineering,**
 18 **mathematics, or special education, or in a critical shortage area.**
 19 **The teacher is not required to teach at the same public school for**
 20 **three (3) consecutive years.**

21 (c) **Service rendered by a teacher in a public school before that**
 22 **teacher becomes a participant in the program may not be**
 23 **considered to have fulfilled the employment commitment required**
 24 **by subsection (b).**

25 **Sec. 8. The commission shall maintain complete and accurate**
 26 **records in implementing the fund, including records of the**
 27 **following:**

28 (1) **The receipt, disbursement, and uses of money from the**
 29 **fund.**

30 (2) **The number of applications for loan repayment assistance.**

31 (3) **The number and amount of loans for which loan**
 32 **repayment assistance has been provided by the department.**

33 (4) **Other pertinent information requested by the commission.**

34 **Sec. 9. The commission may adopt rules under IC 4-22-2**
 35 **necessary to carry out this chapter, including rules governing the**
 36 **enforcement of any employment requirements.**

37 SECTION 2. IC 21-18.5-4-3, AS ADDED BY P.L.107-2012,
 38 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2013]: Sec. 3. For purposes of administering this chapter, the
 40 commission shall do the following:

41 (1) **Prepare and supervise the issuance of public information**
 42 **concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and**

C
O
P
Y



- 1 IC 21-12-5.
2 (2) Prescribe the form and regulate the submission of applications
3 for higher education awards and the commission's programs.
4 (3) Conduct conferences and interviews with applicants as
5 appropriate.
6 (4) Determine the eligibility of applicants.
7 (5) Select qualified applicants.
8 (6) Determine annually the maximum higher education award
9 (IC 21-12-3) and freedom of choice award (IC 21-12-4), subject
10 to approval by the budget agency with review by the budget
11 committee.
12 (7) Determine the respective amounts of, and award, the
13 appropriate higher education awards, grants, and scholarships.
14 (8) Determine eligibility for, and award, annual renewals of
15 higher education awards, grants, and scholarships.
16 (9) Act as the designated state agency for participation in any
17 federal program for reinsurance of student loans.
18 (10) Receive federal funds made available to the commission for
19 awards, grants, and scholarships, and disburse these funds in the
20 manner prescribed by federal law.
21 (11) One (1) time every year, submit a report to the legislative
22 council that provides data and statistical information regarding
23 the number of individuals who received assistance under
24 IC 21-12-6 and IC 21-12-6.5. The report made to the legislative
25 council must be in an electronic format under IC 5-14-6.
26 (12) One (1) time every year, submit a report to the budget
27 committee that provides data and statistical information regarding
28 the number of individuals who received assistance under
29 IC 21-12, IC 21-13, and IC 21-14.
30 **(13) Administer and determine the eligibility of applicants for**
31 **and award amounts under the teacher loan repayment**
32 **program established by IC 21-13-7.**

C
O
P
Y

COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1443, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 5, delete "shortage"" and insert "**shortage area**".

Page 1, line 5, delete ":".

Page 1, line 6, delete "(1)".

Page 1, line 6, delete "; or".

Page 1, delete line 7.

Page 1, run in lines 5 through 8.

Page 1, delete lines 14 through 15.

Page 1, line 16, delete "4." and insert "**3.**".

Page 1, line 17, delete "who" and insert "**who**:"

(1) graduated from an accredited Indiana high school after June 30, 2013, and either:

(A) were in the highest twenty percent (20%) of students in their high school graduating classes; or

(B) received scores in the top twentieth percentile on the SAT or ACT examination;

(2) graduated from a four-year post-secondary educational institution with at least a 3.5 grade point average on a 4.0 scale or its equivalent; and

(3) teach:

(A) for at three (3) consecutive years in public schools in Indiana; and

(B) science, technology, engineering, mathematics, or special education classes, or in a critical shortage area;".

Page 2, delete line 1.

Page 2, line 2, delete "shortages".

Page 2, line 2, beginning with "by" begin a new line blocked left.

Page 2, line 13, delete "5." and insert "**4.**".

Page 2, line 18, delete "6." and insert "**5.**".

Page 2, delete line 20.

Page 2, line 21, delete "(2)" and insert "**(1)**".

Page 2, line 22, delete "(3)" and insert "**(2)**".

Page 2, line 23, delete "8" and insert "**7**".

Page 2, line 24, delete "(4)" and insert "**(3)**".

Page 2, line 26, delete "For each year for which a teacher qualifies under subsection" and insert "**At the end of the third consecutive school year in which a teacher who qualifies under subsection (a)**

C
O
P
Y



has taught, the commission shall pay directly to the financial institution that holds the qualified teacher's student loans an amount not to exceed the lesser of:

- (1) the total principal and interest of the guaranteed student loans owed by the teacher at the end of the third year; or
- (2) nine thousand dollars (\$9,000);

which must be used to reduce the principal and interest on a guaranteed student loan owed by that qualified teacher."

Page 2, delete lines 27 through 40.

Page 2, line 41, delete "7." and insert "6."

Page 3, line 3, delete "8." and insert "7."

Page 3, line 4, delete "must" and insert "**must**:"

- (1) apply for the loan repayment assistance not later than twenty-four (24) months after graduating from a post-secondary educational institution; and
- (2)".

Page 3, line 9, delete "five (5)" and insert "**three (3) consecutive**".

Page 3, line 10, delete "that has a critical shortage." and insert "**in Indiana in science, technology, engineering, mathematics, or special education, or in a critical shortage area. The teacher is not required to teach at the same public school for three (3) consecutive years.**".

Page 3, line 11, delete "critical shortage" and insert "**public**".

Page 3, delete lines 15 through 21.

Page 3, line 22, delete "9." and insert "8."

Page 3, line 31, delete "10." and insert "9."

Page 3, line 33, delete "and repayment" and insert ".".

Page 3, delete lines 34 through 42.

Page 4, delete lines 1 through 14.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1443 as introduced.)

BEHNING, Chair

Committee Vote: yeas 12, nays 0.

C
O
P
Y

