
HOUSE BILL No. 1443

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-13-7; IC 21-18-12; IC 21-18.5-4-3.

Synopsis: Teacher loan repayment; teacher academy. Provides up to \$15,000 educational loan repayment for a public elementary or high school teacher who: (1) is a graduate of the teacher academy; and (2) teaches at least five years in a geographic or subject area with a teacher shortage. Establishes the teacher academy within the education school or department of a state educational institution selected by the commission on higher education to recruit high school students who are in the highest 10% of their classes to pursue careers as teachers.

Effective: July 1, 2013.

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

January 23, 2013, read first time and referred to Committee on Education.

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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.

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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" means a:**

- 6 (1) geographic area; or
- 7 (2) subject matter area;

8 **determined annually by the department of education established by**
9 **IC 20-19-3-1 to have, or projected within the next twelve (12)**
10 **months to have, a shortage of licensed, full-time elementary or high**
11 **school teachers.**

12 **Sec. 2. As used in this chapter, "fund" refers to the teacher loan**
13 **repayment fund established by section 4 of this chapter.**

14 **Sec. 3. As used in this chapter, "teacher academy" refers to the**
15 **teacher education program established under IC 21-18-12.**

16 **Sec. 4. (a) The teacher loan repayment fund is established.**
17 **(b) The purpose of the fund is to attract qualified teachers who**



1 are graduates of the teacher academy to public schools with critical
2 shortages by granting loan repayment assistance authorized under
3 this chapter to eligible applicants.

4 (c) The fund consists of appropriations to the fund and gifts,
5 grants, devises, or bequests made to the state to achieve the
6 purposes of the fund.

7 (d) The fund shall be administered by the commission. The
8 expenses of administering the fund shall be paid from money in the
9 fund.

10 (e) Loan repayment assistance payments shall be made from the
11 fund by the treasurer of state upon a warrant issued by the auditor
12 of state in accordance with rules adopted by the commission.

13 Sec. 5. The commission shall receive and consider all
14 applications for loan repayment assistance received from qualified
15 teachers with outstanding guaranteed student loans made, issued,
16 or guaranteed under a program authorized by Title IV of the
17 federal Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

18 Sec. 6. (a) To qualify for loan repayment assistance for student
19 loans under this chapter, an applicant must:

- 20 (1) be a graduate of the teacher academy;
- 21 (2) hold a license to teach under IC 20-28-5;
- 22 (3) agree in writing to the employment requirements set forth
- 23 in section 8 of this chapter; and
- 24 (4) meet any additional criteria established by the
- 25 commission.

26 (b) For each year for which a teacher qualifies under subsection
27 (a), the commission may grant loan repayment assistance to the
28 teacher in an amount not to exceed the lesser of:

- 29 (1) fifty percent (50%) of the total principal and interest of
- 30 the guaranteed student loans owed by the teacher during the
- 31 year for which the teacher qualifies under subsection (a); or
- 32 (2) three thousand dollars (\$3,000).

33 (c) The loan repayment assistance granted to a qualified teacher
34 under this chapter must be used to reduce the principal and
35 interest on a guaranteed student loan owed by that qualified
36 teacher. The years of service rendered to obtain loan repayment
37 assistance for student loans must be consecutive and may not
38 exceed five (5) years. The maximum amount of loan repayment
39 assistance that may be granted to any qualified teacher is fifteen
40 thousand dollars (\$15,000).

41 Sec. 7. A qualified teacher must apply for a loan repayment on
42 a form supplied by the commission. The commission shall consider

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1 each application and determine the eligibility of the applicant for
2 the loan repayment assistance.

3 **Sec. 8. (a)** Before being granted loan repayment assistance
4 under this chapter, a teacher must enter into a contract with the
5 commission agreeing to the terms and conditions upon which the
6 loan repayment assistance will be granted to the teacher.

7 **(b)** As a condition of being granted loan repayment assistance
8 under this chapter, a teacher must agree to employment for a
9 period of at least five (5) years as a licensed teacher in a public
10 school that has a critical shortage.

11 **(c)** Service rendered by a teacher in a critical shortage school
12 before that teacher becomes a participant in the program may not
13 be considered to have fulfilled the employment commitment
14 required by subsection (b).

15 **(d)** A loan recipient who fails to comply with the employment
16 commitment required by subsection (b) in any required school year
17 is immediately in breach of contract and immediately becomes
18 liable to the commission for the sum of all loan payments awarded
19 to the loan recipient, less one-third (1/3) of that sum for each year
20 that service was rendered, plus interest accruing at the current
21 federal Stafford Loan rate at the time the breach occurs.

22 **Sec. 9.** The commission shall maintain complete and accurate
23 records in implementing the fund, including records of the
24 following:

- 25 (1) The receipt, disbursement, and uses of money from the
26 fund.
27 (2) The number of applications for loan repayment assistance.
28 (3) The number and amount of loans for which loan
29 repayment assistance has been provided by the department.
30 (4) Other pertinent information requested by the commission.

31 **Sec. 10.** The commission may adopt rules under IC 4-22-2
32 necessary to carry out this chapter, including rules governing the
33 enforcement of any employment requirements and repayment
34 requirements.

35 SECTION 2. IC 21-18-12 IS ADDED TO THE INDIANA CODE
36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
37 JULY 1, 2013]:

38 **Chapter 12. Teacher Academy**

39 **Sec. 1.** The commission shall enter into an agreement with a
40 state educational institution selected by the commission to establish
41 a teacher academy within the state educational institution's school
42 or department of education. The commission shall consult with the

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1 department of education established by IC 20-19-3-1 in selecting
2 the state educational institution.

3 **Sec. 2. The teacher academy established under section 1 of this**
4 **chapter shall recruit high school students who are in the highest**
5 **ten percent (10%) of their classes to pursue careers as teachers.**

6 **Sec. 3. A student who:**

- 7 (1) graduates from the teacher academy;
8 (2) obtains an initial practitioner's license under IC 20-28-5;
9 and
10 (3) agrees to teach for not less than five (5) school years at a
11 public school that has a critical shortage (as defined in
12 IC 21-13-7-1);

13 **is eligible to participate in the teacher loan repayment program**
14 **under IC 21-13-7.**

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

- 19 (1) Prepare and supervise the issuance of public information
20 concerning this chapter, IC 21-12-2, IC 21-12-3, IC 21-12-4, and
21 IC 21-12-5.
22 (2) Prescribe the form and regulate the submission of applications
23 for higher education awards and the commission's programs.
24 (3) Conduct conferences and interviews with applicants as
25 appropriate.
26 (4) Determine the eligibility of applicants.
27 (5) Select qualified applicants.
28 (6) Determine annually the maximum higher education award
29 (IC 21-12-3) and freedom of choice award (IC 21-12-4), subject
30 to approval by the budget agency with review by the budget
31 committee.
32 (7) Determine the respective amounts of, and award, the
33 appropriate higher education awards, grants, and scholarships.
34 (8) Determine eligibility for, and award, annual renewals of
35 higher education awards, grants, and scholarships.
36 (9) Act as the designated state agency for participation in any
37 federal program for reinsurance of student loans.
38 (10) Receive federal funds made available to the commission for
39 awards, grants, and scholarships, and disburse these funds in the
40 manner prescribed by federal law.
41 (11) One (1) time every year, submit a report to the legislative
42 council that provides data and statistical information regarding

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1 the number of individuals who received assistance under
2 IC 21-12-6 and IC 21-12-6.5. The report made to the legislative
3 council must be in an electronic format under IC 5-14-6.
4 (12) One (1) time every year, submit a report to the budget
5 committee that provides data and statistical information regarding
6 the number of individuals who received assistance under
7 IC 21-12, IC 21-13, and IC 21-14.
8 **(13) Administer and determine the eligibility of applicants for**
9 **and award amounts under the teacher loan repayment**
10 **program established by IC 21-13-7.**

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