

REFERENCE TITLE: teacher shortage student loan program

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2206

Introduced by

Representatives Schapira, Ableser, Burns J, Farley, Kirkpatrick, Lujan,
Saradnik, Sinema, Adams, Alvarez, Anderson, Campbell CH, Campbell CL,
Clark, DeSimone, Driggs, Gallardo, Kavanagh, Lopes, Lopez, Meza, Miranda,
Pancrazi, Prezelski, Rios P, Thrasher, Tom, Senators Johnson, McCune Davis

AN ACT

AMENDING TITLE 15, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE
11; MAKING AN APPROPRIATION; RELATING TO THE TEACHER SHORTAGE STUDENT LOAN
PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 13, Arizona Revised Statutes, is amended
3 by adding article 11, to read:

4 ARTICLE 11. TEACHER SHORTAGE STUDENT LOAN PROGRAM

5 15-1781. Definition of board

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "BOARD" MEANS
7 THE ARIZONA BOARD OF REGENTS.

8 15-1782. Teacher shortage student loans; requirements

9 THE BOARD MAY GRANT LOANS FROM THE TEACHER SHORTAGE STUDENT LOAN FUND
10 ESTABLISHED BY SECTION 15-1784 TO DEFRAY IN-STATE TUITION EXPENSES AND
11 MANDATORY FEES OF THE EDUCATION OF STUDENTS WHO ARE PURSUING A TEACHING
12 DEGREE AT A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD OR WHO ARE
13 PREPARING TO PURSUE A TEACHING DEGREE AFTER TRANSFERRING TO A UNIVERSITY FROM
14 A COMMUNITY COLLEGE IN THIS STATE AND WHO ARE DEEMED QUALIFIED BY THE BOARD
15 TO RECEIVE THESE LOANS. ONE OF THE QUALIFICATIONS IS ARIZONA RESIDENCY.
16 ARIZONA RESIDENCY SHALL BE DETERMINED ACCORDING TO THE SAME CRITERIA
17 PRESCRIBED FOR IN-STATE TUITION STATUS IN SECTION 15-1802. THE BOARD SHALL
18 GRANT LOANS ON THE TERMS AND CONDITIONS THE BOARD IMPOSES. THE BOARD SHALL
19 ESTABLISH PROCEDURES FOR THE TIMELY REPAYMENT OF LOANS PLUS INTEREST AT A
20 RATE DETERMINED BY THE BOARD. THE BOARD IS RESPONSIBLE FOR THE COLLECTION OF
21 LOANS THAT ARE IN DEFAULT PURSUANT TO SECTION 15-1783, SUBSECTION F.

22 15-1783. Teacher shortage student loans; interest; obligations;
23 repayment; authority of attorney general

24 A. EACH APPLICANT WHO IS APPROVED FOR A LOAN BY THE BOARD MAY BE
25 GRANTED A LOAN NOT TO EXCEED THE COST OF IN-STATE TUITION AND MANDATORY FEES.
26 THE BOARD MAY GRANT UP TO THREE HUNDRED LOANS A YEAR, SUBJECT TO LEGISLATIVE
27 APPROPRIATION.

28 B. THE LOANS SHALL BEAR INTEREST AT THE RATE DETERMINED BY THE BOARD.

29 C. EACH LOAN SHALL BE EVIDENCED BY A CONTRACT BETWEEN THE STUDENT AND
30 THE BOARD, ACTING ON BEHALF OF THIS STATE. THE CONTRACT SHALL PROVIDE FOR
31 THE PAYMENT OF A STATED AMOUNT TO DEFRAY THE COSTS INCURRED BY A STUDENT
32 DURING THE STUDENT'S PURSUIT OF A TEACHING DEGREE AT A UNIVERSITY OR
33 PREPARATION AT A COMMUNITY COLLEGE FOR THE PURSUIT OF A TEACHING DEGREE, OR
34 BOTH, OR DURING ANY YEAR OF A POSTBACCALAUREATE TEACHING CERTIFICATE PROGRAM
35 AT A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD. THE CONTRACT SHALL
36 PROVIDE THAT THE LOAN RECIPIENT WHO SERVES AS A TEACHER IN A SCHOOL LOCATED
37 IN A GEOGRAPHIC AREA IN THIS STATE THAT IS EXPERIENCING A SHORTAGE OF
38 TEACHERS, AS DETERMINED BY THE STATE BOARD OF EDUCATION, MAY RECEIVE
39 COMPENSATION FROM THE BOARD FOR THAT SERVICE AND OTHER SERVICES DESIGNATED IN
40 THE CONTRACT AND THAT THE COMPENSATION SHALL BE CREDITED AGAINST AMOUNTS DUE
41 UNDER THE LOAN NOT TO EXCEED THE AMOUNT OF THE LOAN AND ANY INTEREST ACCRUED
42 ON THE LOAN. THIS SERVICE SHALL BE FULL-TIME AS DETERMINED BY THE BOARD AND
43 SHALL BE FOR ONE YEAR OF SERVICE FOR EACH YEAR OF LOAN SUPPORT. A LOAN AND
44 THE INTEREST ACCRUED ON THE LOAN MAY BE FULLY PAID WITH COMPENSATION RECEIVED

1 FOR SERVICES AS REQUIRED BY THE CONTRACT OR AT THE OPTION OF THE RECIPIENT BY
2 PAYMENT OF ALL MONIES AND INTEREST FOR FAILURE TO FULFILL THE CONTRACT.

3 D. A LOAN RECIPIENT SHALL BEGIN THE SERVICE FOR WHICH THE RECIPIENT
4 CONTRACTED AS A CONDITION OF THE LOAN WITHIN ONE YEAR AFTER COMPLETION OF THE
5 RECIPIENT'S TEACHING DEGREE UNLESS THE BOARD EXTENDS THIS TIME TO TWO YEARS.
6 A RECIPIENT WHO IS ORDERED INTO MILITARY SERVICE OR WHO FOR OTHER CAUSE
7 BEYOND THE RECIPIENT'S CONTROL AND THAT IS DEEMED SUFFICIENT BY THE BOARD IS
8 UNABLE TO BEGIN THE REQUIRED SERVICE WITHIN ONE YEAR AFTER GRADUATION SHALL
9 BEGIN THE REQUIRED SERVICE WITHIN ONE YEAR AFTER COMPLETING MILITARY SERVICE
10 OR THE END OF THE OTHER CAUSE.

11 E. IF A RECIPIENT DECIDES NOT TO FULFILL THE CONDITIONS OF THE
12 CONTRACT BY TEACHING AT A SCHOOL THAT IS LOCATED IN A GEOGRAPHIC AREA IN THIS
13 STATE THAT IS EXPERIENCING A SHORTAGE OF TEACHERS, AS DETERMINED BY THE STATE
14 BOARD OF EDUCATION, THE CONTRACT SHALL PROVIDE THAT THE RECIPIENT IS REQUIRED
15 TO REPAY THE FULL AMOUNT OF THE LOAN PLUS INTEREST. THE BOARD MAY WAIVE THE
16 PAYMENT OF INTEREST IF IT DETERMINES THAT DEATH OR PERMANENT PHYSICAL
17 DISABILITY ACCOUNTS FOR THE RECIPIENT'S FAILURE TO FULFILL THE CONTRACT.

18 F. IF A RECIPIENT WITHDRAWS FROM THE TEACHING PROGRAM OR IS DISMISSED
19 FROM THE UNIVERSITY AT WHICH THE RECIPIENT IS PURSUING A TEACHING DEGREE OR
20 FROM THE COMMUNITY COLLEGE AT WHICH THE RECIPIENT IS PREPARING FOR THE
21 PURSUIT OF A TEACHING DEGREE, THE RECIPIENT SHALL REPAY THE LOAN TO THE BOARD
22 WITH INTEREST WITHIN ONE YEAR AFTER WITHDRAWAL OR DISMISSAL. FOR GOOD CAUSE
23 SHOWN THE BOARD MAY PROVIDE FOR EXTENSIONS ON THE PERIOD OF REPAYMENT.

24 G. ON RECEIPT OF SUPPORTING DOCUMENTATION, THE BOARD FOR GOOD CAUSE
25 SHOWN MAY DEFER THE RECIPIENT'S SERVICE OR PAYMENT OBLIGATION OR MAY ENTER
26 INTO REPAYMENT ARRANGEMENTS WITH THE RECIPIENT OR ALLOW SERVICE THAT IS
27 EQUIVALENT TO FULL-TIME SERVICE IF THE BOARD DETERMINES THAT THIS ACTION IS
28 JUSTIFIED AFTER A REVIEW OF THE INDIVIDUAL'S CIRCUMSTANCES.

29 H. THE ATTORNEY GENERAL MAY COMMENCE WHATEVER ACTIONS ARE NECESSARY TO
30 ENFORCE THE CONTRACT AND ACHIEVE REPAYMENT OF LOANS PROVIDED BY THE BOARD
31 PURSUANT TO THIS ARTICLE.

32 15-1784. Teacher shortage student loan fund; exemption

33 A. THE TEACHER SHORTAGE STUDENT LOAN FUND IS ESTABLISHED. ALL MONIES
34 APPROPRIATED TO CARRY OUT THE PURPOSES OF SECTIONS 15-1782 AND 15-1783 SHALL
35 BE DEPOSITED IN THE FUND, AND ALL PAYMENTS OF PRINCIPAL AND INTEREST RECEIVED
36 BY THE BOARD SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN
37 THE FUND.

38 B. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION AND ARE
39 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
40 APPROPRIATIONS.

41 15-1785. Program termination

42 THE PROGRAM ESTABLISHED BY THIS ARTICLE ENDS ON JULY 1, 2017 PURSUANT
43 TO SECTION 41-3102.

1 Sec. 2. Appropriation; board of regents for teacher shortage
2 student loans

3 The sum of \$1,500,000 is appropriated from the state general fund in
4 fiscal year 2007-2008 to the teacher shortage student loan fund established
5 by section 15-1784, Arizona Revised Statutes, as added by this act, and is
6 appropriated from the fund to the Arizona board of regents for the purposes
7 of this act.