

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 759**

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DATE	D-PG	OFFICIAL STATUS
02/12/2015	269	Introduction and first reading Referred to Higher Education and Workforce Development
03/12/2015	703a	Comm report: To pass as amended and re-refer to State and Local Government
03/16/2015		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
 1.2 relating to education; postsecondary; providing a teacher shortage loan  
 1.3 forgiveness program; authorizing rulemaking; appropriating money; proposing  
 1.4 coding for new law in Minnesota Statutes, chapter 136A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[136A.1791] TEACHER SHORTAGE LOAN FORGIVENESS**  
 1.7 **PROGRAM.**

1.8 Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings  
 1.9 given them.

1.10 (b) "Qualified educational loan" means a government, commercial, or foundation  
 1.11 loan for actual costs paid for tuition and reasonable educational and living expenses  
 1.12 related to a teacher's preparation or further education.

1.13 (c) "School district" means an independent school district, special school district,  
 1.14 intermediate district, education district, special education cooperative, service cooperative,  
 1.15 a cooperative center for vocational education, or a charter school located in Minnesota.

1.16 (d) "Teacher" means an individual issued a teaching license by the Board of Teaching  
 1.17 who is employed by a school district to provide instruction in a teacher shortage area.

1.18 (e) "Teacher shortage area" means a school district or a subject area and licensure  
 1.19 field designated by the commissioner of education as a school district or an area and field  
 1.20 in which a shortage of teachers exists in Minnesota.

1.21 Subd. 2. **Program established; administration.** The commissioner shall establish  
 1.22 and administer a teacher shortage loan forgiveness program. A teacher is eligible for  
 1.23 the program if the teacher is teaching in a teacher shortage area and complies with the  
 1.24 requirements of this section.

2.1 Subd. 3. **Annual designation of teacher shortage areas.** The commissioner of  
2.2 education shall annually designate the school district, and subject areas and licensure  
2.3 fields experiencing teacher shortages. The commissioner of education shall periodically  
2.4 survey school districts and approved teacher preparation programs to identify teacher  
2.5 shortage areas.

2.6 Subd. 4. **Application for loan forgiveness.** Each applicant for loan forgiveness,  
2.7 according to the commissioner's rules, shall:

2.8 (1) apply for teacher shortage loan forgiveness and promptly submit any additional  
2.9 information required by the commissioner;

2.10 (2) annually reapply and submit information the commissioner requires to determine  
2.11 the applicant's continued eligibility for loan forgiveness; and

2.12 (3) submit to the commissioner a completed affidavit, prescribed by the  
2.13 commissioner, affirming the teacher is teaching in a teacher shortage area.

2.14 Subd. 5. **Amount of loan forgiveness.** To the extent funding is available, the  
2.15 annual amount of teacher shortage loan forgiveness for an approved recipient shall not  
2.16 exceed \$3,000 or the cumulative balance of the recipient's qualified educational loans,  
2.17 including principal and interest, whichever amount is less. Recipients must secure their  
2.18 own qualified educational loans. A teacher who graduates from an approved teacher  
2.19 preparation program is eligible to initially apply for the loan forgiveness program for five  
2.20 consecutive years after graduation. A teacher who adds a licensure field in a teacher  
2.21 shortage area may also apply for the loan forgiveness program for five consecutive years  
2.22 immediately after adding the licensure field.

2.23 Subd. 6. **Penalties.** A teacher who submits a false or misleading application or  
2.24 other false or misleading information to the commissioner may have his or her teaching  
2.25 license suspended or revoked under section 122A.20 or may be subject to discipline  
2.26 by the teacher's employing school district.

2.27 Subd. 7. **Fund established.** A teacher shortage loan forgiveness repayment fund  
2.28 is created as a separate account in the special revenue fund in the state treasury for  
2.29 depositing money appropriated to or received by the commissioner for this program.  
2.30 Money deposited in the fund shall not revert to any state fund at the end of any fiscal year  
2.31 but remains in the loan forgiveness repayment fund and is continuously available and  
2.32 appropriated to the commissioner for loan forgiveness under this section.

2.33 Subd. 8. **Annual reporting.** The commissioner, annually by February 1, must  
2.34 report to the chairs of the K-12 and higher education committees of the legislature on  
2.35 the number of individuals who received loan forgiveness under this section, the teacher

3.1 shortage areas in which teachers taught, the amount paid to each program participant, and  
3.2 other summary data identified by the commissioner as outcome indicators.

3.3 Subd. 9. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to  
3.4 administer this section.

3.5 Sec. 2. **APPROPRIATIONS.**

3.6 \$..... in fiscal year 2016 and \$..... in fiscal year 2017 are appropriated from the  
3.7 general fund to the commissioner of the Office of Higher Education for deposit in the  
3.8 teacher shortage loan forgiveness fund account for the purposes of the teacher shortage  
3.9 loan forgiveness program under Minnesota Statutes, section 136A.1791, and for adopting  
3.10 rules to administer the program.