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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1041

02/11/2021 Authored by Keeler, Hassan, Christensen, Frazier, Gomez and others
The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

1.1 A bill for an act
1.2 relating to higher education; strengthening the Increase Teachers of Color Act in
1.3 higher education; creating a new scholarship program for aspiring teachers of
1.4 color; modifying provisions for student teacher grants and teacher shortage loan
1.5 forgiveness; requiring a report; appropriating money; amending Minnesota Statutes
1.6 2020, sections 136A.1275; 136A.1791; proposing coding for new law in Minnesota
1.7 Statutes, chapter 136A; repealing Minnesota Rules, parts 4830.9100; 4830.9110;
1.8 4830.9120; 4830.9130, subparts 2, 3.

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

1.10 Section 1. [136A.1274] ASPIRING MINNESOTA TEACHERS OF COLOR
1.11 SCHOLARSHIP PROGRAM.

1.12 Subdivision 1. Scholarship program established. The commissioner must establish a
1.13 scholarship program to support undergraduate and graduate students who are preparing to
1.14 become teachers, have demonstrated financial need, and belong to racial or ethnic groups
1.15 underrepresented in the state's teacher workforce.

1.16 Subd. 2. Eligibility. (a) To be eligible for a scholarship under this section, an applicant
1.17 must:

1.18 (1) be admitted and enrolled in a teacher preparation program approved by the
1.19 Professional Educator Licensing and Standards Board and be seeking initial licensure, or
1.20 be enrolled in an eligible institution under section 136A.103 and be completing a two-year
1.21 program specifically designed to prepare early childhood educators;

1.22 (2) affirm to the teacher preparation program or the Office of Higher Education that the
1.23 applicant is a person of color or American Indian;

2.1 (3) be meeting satisfactory academic progress as defined under section 136A.101,
2.2 subdivision 10; and

2.3 (4) demonstrate financial need based on criteria developed by the commissioner.

2.4 (b) An eligible applicant may receive a scholarship award more than once, but may
2.5 receive a total of no more than \$25,000 in scholarship awards from the program.

2.6 Subd. 3. **Scholarship award amount.** (a) The commissioner shall establish the
2.7 scholarship award amount based upon the anticipated number of eligible applicants and the
2.8 funds available for the program. The established award amount is subject to the requirements
2.9 of paragraphs (b) through (e) of this subdivision. If the funds available for the program are
2.10 insufficient to make full awards to all eligible applicants, the commissioner must reduce
2.11 the established scholarship award amount.

2.12 (b) The maximum award amount is \$10,000 per year for full-time study prior to student
2.13 teaching. For undergraduate students, full-time study means enrollment in a minimum of
2.14 12 or more credits per term. For graduate students, full-time study means enrollment that
2.15 the institution deems sufficient to confer full-time graduate student status.

2.16 (c) If an eligible applicant is enrolled in a program for one term during the academic
2.17 year, the maximum award amount is \$5,000. If an eligible applicant is enrolled part time,
2.18 the award amount must be prorated on a per-credit basis.

2.19 (d) Subject to the funds available for the program, and subject to the limitation in
2.20 paragraph (e), the minimum award amount established under this section for full-time study
2.21 must be no less than \$1,000 per year.

2.22 (e) An eligible applicant's individual award amount must not exceed the applicant's cost
2.23 of attendance after deducting: (1) the sum of all state or federal grants and gift aid received,
2.24 including a Pell Grant and state grant; (2) the sum of all institutional grants, scholarships,
2.25 tuition waivers, and tuition remission amounts; and (3) the amount of any private grants or
2.26 scholarships.

2.27 (f) Established award amounts are not rulemaking for purposes of chapter 14 or section
2.28 14.386.

2.29 Subd. 4. **Administration.** (a) The commissioner must establish an application process
2.30 for individual students and institutions on behalf of all eligible students at the institution
2.31 and other guidelines for implementing the scholarship program.

2.32 (b) The commissioner must give equal consideration to all eligible applicants regardless
2.33 of the order the application was received before the application deadline.

3.1 (c) A scholarship award must be paid to the eligible applicant's teacher preparation
 3.2 institution on behalf of the eligible applicant. Awards may be paid only when the institution
 3.3 has confirmed to the commissioner the applicant's name, racial or ethnic identity, gender,
 3.4 licensure area sought, and enrollment status.

3.5 Subd. 5. **Creation of account.** An aspiring teachers of color scholarship account is
 3.6 established in the special revenue fund. Money in the account is appropriated to the
 3.7 commissioner to fund scholarships to student teachers belonging to a racial or ethnic group
 3.8 underrepresented in the teacher workforce. Appropriations from the account do not cancel
 3.9 and are available until expended.

3.10 Subd. 6. **Report.** By July 15 of each year, the commissioner must submit an interim
 3.11 report on the scholarship program based on available data to the legislative committees with
 3.12 jurisdiction over higher education finance and policy. By December 15 of each year, the
 3.13 commissioner must submit a full report on the details of the scholarship program for the
 3.14 previous fiscal year to the legislative committees with jurisdiction over higher education
 3.15 finance and policy. The reports must also be made available on the Office of Higher
 3.16 Education's website. The reports must include the following information:

3.17 (1) the balance of the aspiring teachers of color scholarship account in the special revenue
 3.18 fund;

3.19 (2) the number of applicants and the number of award recipients, each broken down by
 3.20 postsecondary institution with ten or more recipients;

3.21 (3) the total number of awards, the total dollar amount of all awards, and the average
 3.22 award amount; and

3.23 (4) summary data on the racial or ethnic identity, gender, licensure area sought, and
 3.24 enrollment status of all applicants and award recipients.

3.25 **EFFECTIVE DATE.** This section is effective July 1, 2021, and initial scholarships
 3.26 must be awarded by November 1, 2021.

3.27 Sec. 2. Minnesota Statutes 2020, section 136A.1275, is amended to read:

3.28 **136A.1275 STUDENT TEACHER CANDIDATE GRANTS.**

3.29 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
 3.30 must establish a grant program for student teaching stipends for low-income students enrolled
 3.31 in a Professional Educator Licensing and Standards Board-approved teacher preparation
 3.32 program who ~~intend to teach~~ are student teaching in a licensure shortage area after graduating

4.1 ~~and receiving their teaching license or belong to an underrepresented~~ a racial or ethnic group
 4.2 underrepresented in the teacher workforce.

4.3 ~~(b) "Shortage area" means a license field or economic development region within~~
 4.4 ~~Minnesota defined as a shortage area by the Professional Educator Licensing and Standards~~
 4.5 ~~Board in coordination with the commissioner using data collected for the teacher supply~~
 4.6 ~~and demand report under section 122A.091, subdivision 5.~~

4.7 Subd. 1a. **Definitions.** (a) For the purposes of this section, the following terms have the
 4.8 meanings given.

4.9 (b) "Economic development region" means an area so designated in the governor's
 4.10 executive order number 83-15, dated March 15, 1983.

4.11 (c) "Licensure shortage area" means a licensure field within an economic development
 4.12 region experiencing a shortage of Tier 3 or Tier 4 licensed teachers as determined by the
 4.13 Professional Educator Licensing and Standards Board using data collected for the teacher
 4.14 supply and demand report under section 122A.091, subdivision 5, and the tiered license
 4.15 and special permission report in accordance with Minnesota Rules, part 8710.0310, subpart
 4.16 8. The severity of a licensure shortage area is determined by the percentage of teachers
 4.17 working in a licensure field not holding a Tier 3 or Tier 4 license in that field where there
 4.18 are at least ten teachers in the economic development region working within that licensure
 4.19 field.

4.20 (d) "Permanent residence" means:

4.21 (1) the address listed on the student teacher's most recent Free Application for Federal
 4.22 Student Aid (FAFSA) or state financial aid application; or

4.23 (2) the economic development region in which the student teacher graduated from high
 4.24 school.

4.25 Subd. 2. **Eligibility.** (a) To be eligible for a grant under this section, a student teacher
 4.26 candidate must:

4.27 (1) meet all of the following criteria:

4.28 ~~(1)~~ (i) be enrolled in a Professional Educator Licensing and Standards Board-approved
 4.29 teacher preparation program that requires at least 12 weeks of student teaching to complete
 4.30 the program in order to be recommended for any Tier 3 teaching license;

4.31 ~~(2)~~ (ii) demonstrate financial need based on criteria established by the commissioner
 4.32 under subdivision 3; and

5.1 ~~(3)~~ (iii) be meeting satisfactory academic progress as defined under section 136A.101,
5.2 subdivision 10; and

5.3 (2) meet one of the following criteria:

5.4 ~~(4) intend to teach in a shortage area~~ (i) be student teaching in one of the ten most severe
5.5 licensure shortage areas in the economic development region where either the student
5.6 teacher's student teaching site or permanent residence is located in the year the student
5.7 teacher receives a grant; or

5.8 ~~belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce.~~
5.9 ~~Intent can be documented based on the teacher license field the student is pursuing or a~~
5.10 ~~statement of intent to teach in an economic development region defined as a shortage area~~
5.11 ~~in the year the student receives a grant~~ (ii) affirm to the teacher preparation program or the
5.12 Office of Higher Education that the applicant is a person of color or American Indian.

5.13 (b) A student teacher may be eligible under the criteria in paragraph (a), clause (2), item
5.14 (ii), so long as the aggregate percentage of teachers of color and American Indian teachers
5.15 in the state, as determined by the Professional Educator Licensing and Standards Board, is
5.16 lower than the aggregate percentage of kindergarten through grade 12 students of color and
5.17 kindergarten through grade 12 American Indian students in the state, as determined by the
5.18 commissioner of education under section 120B.35, subdivision 3. Only individuals who
5.19 close the gap between these percentages are eligible under this criteria.

5.20 Subd. 3. ~~Administration; repayment.~~ (a) The commissioner must establish an
5.21 application process and other guidelines for implementing this program. The commissioner
5.22 must notify grant recipients of their award amounts by the following dates:

5.23 (1) for fall student teaching placements, recipients must be notified by August 1;

5.24 (2) for spring student teaching placements, recipients must be notified by December 1;
5.25 and

5.26 (3) for summer student teaching placements, recipients must be notified by May 1.

5.27 These notification deadlines do not apply in cases where grants are awarded to student
5.28 teachers who applied after application deadlines and funds remained after the initial round
5.29 of grants were awarded.

5.30 (b) The commissioner must determine each academic year the stipend amount up to
5.31 \$7,500 based on the amount of available funding, the number of eligible applicants, and the
5.32 financial need of the applicants.

6.1 ~~(e) The percentage of the total award funds available at the beginning of the fiscal year~~
6.2 ~~reserved for teacher candidates who identify as belonging to a racial or ethnic group~~
6.3 ~~underrepresented in the Minnesota teacher workforce must be equal to or greater than the~~
6.4 ~~total percentage of students of racial or ethnic groups underrepresented in the Minnesota~~
6.5 ~~teacher workforce as measured under section 120B.35, subdivision 3. If this percentage~~
6.6 ~~cannot be met because of a lack of qualifying candidates, the remaining amount may be~~
6.7 ~~awarded to teacher candidates who intend to teach in a shortage area.~~

6.8 (c) The amount reserved under this paragraph seeks to improve all students' access to
6.9 effective and diverse teachers under sections 120B.11 and 124D.861. So long as the aggregate
6.10 percentage of teachers of color and American Indian teachers in the state, as determined by
6.11 the Professional Educator Licensing and Standards Board, is lower than the aggregate
6.12 percentage of kindergarten through grade 12 students of color and kindergarten through
6.13 grade 12 American Indian students in the state, as determined by the commissioner of
6.14 education under section 120B.35, subdivision 3, the commissioner must reserve a percentage
6.15 of the grant program's unrestricted appropriation for those student teachers eligible for a
6.16 grant under the criteria in subdivision 2, paragraph (a), clause (2), item (ii). The percentage
6.17 reserved under this paragraph must be equal to or greater than the aggregate percentage of
6.18 kindergarten through grade 12 students of color and kindergarten through grade 12 American
6.19 Indian students in the state, as determined by the commissioner of education under section
6.20 120B.35, subdivision 3. If the reserved amount cannot be fully spent because of a lack of
6.21 qualifying applicants, the remaining amount must be transferred to the student teacher grant
6.22 program reserve account established in subdivision 4. If the reserved amount is insufficient
6.23 to make full awards to all qualifying applicants, the commissioner shall use funds available
6.24 in the student teacher grant program reserve account to increase grant awards up to the full
6.25 award amount or evenly across applicants, based on the available funds in the account.

6.26 (d) The commissioner must give equal consideration to all applicants regardless of the
6.27 order the application was received before the application deadline. If the funds available
6.28 for this program are insufficient to make full awards to eligible applicants, the commissioner
6.29 must give priority for awarding grants to eligible applicants pursuing the most severe
6.30 licensure shortage areas in their respective economic development regions.

6.31 Subd. 4. **Creation of account.** A student teacher grant program reserve account is
6.32 established in the special revenue fund. Money in the account is appropriated to the
6.33 commissioner to fund grants to student teachers eligible for a grant under the criteria in
6.34 subdivision 2, paragraph (a), clause (2), item (ii). Appropriations from the account do not
6.35 cancel and are available until expended.

7.1 Subd. 5. Reporting. (a) By July 15 of each year, the commissioner must submit a report
 7.2 on the details of the program under this section for the previous fiscal year to the legislative
 7.3 committees with jurisdiction over higher education finance and policy. The report must
 7.4 include the following information:

7.5 (1) the balance of the student teacher grant program reserve account in the special revenue
 7.6 fund;

7.7 (2) the licensure shortage areas giving rise to award eligibility, organized by economic
 7.8 development region;

7.9 (3) the extent of racial or ethnic underrepresentation in the teacher workforce statewide
 7.10 and broken down by economic development region; and

7.11 (4) separately for each eligibility criteria under subdivision 2, paragraph (a), clause (2):

7.12 (i) the number of eligible applicants and the number of student teachers receiving an
 7.13 award, each broken down by postsecondary institution; and

7.14 (ii) the total number of awards, the total dollar amount of all awards, and the average
 7.15 award amount.

7.16 (b) Within 60 days after each round of award notifications required under subdivision
 7.17 3, paragraph (a), the commissioner must publish on the Office of Higher Education's website
 7.18 an interim report with data on the most recent round of grant awards. The report must include
 7.19 the same information required to be included in the report under paragraph (a).

7.20 **EFFECTIVE DATE.** This section is effective July 1, 2021, except that the commissioner
 7.21 may delay notification to student teachers receiving grants for the fall 2021 term until August
 7.22 15, 2021.

7.23 Sec. 3. Minnesota Statutes 2020, section 136A.1791, is amended to read:

7.24 **136A.1791 TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM.**

7.25 Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given
 7.26 them in this subdivision.

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

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

8.4 (d) "Teacher" means ~~an individual holding a teaching license issued by:~~

8.5 (1) a classroom teacher or other similar professional employee required by law to hold
 8.6 a license or permission from the Professional Educator Licensing and Standards Board who
 8.7 is employed by a school district to provide classroom instruction; or

8.8 (2) a Head Start or Early Head Start nonlicensed early childhood professional employed
 8.9 by a Head Start program under section 119A.50.

8.10 (e) ~~"Teacher shortage area" means:~~ "Licensure shortage area" has the meaning given in
 8.11 section 136A.1275.

8.12 ~~(1) the licensure fields and economic development regions reported by the Professional~~
 8.13 ~~Educator Licensing and Standards Board in coordination with the commissioner as~~
 8.14 ~~experiencing a teacher shortage; and~~

8.15 ~~(2) economic development regions where there is a shortage of licensed teachers who~~
 8.16 ~~reflect the racial or ethnic diversity of students in the region as reported by the Professional~~
 8.17 ~~Educator Licensing and Standards Board in coordination with the commissioner.~~

8.18 (f) "Commissioner" means the commissioner of the Office of Higher Education unless
 8.19 indicated otherwise.

8.20 (g) "Economic development region" means an area so designated in the governor's
 8.21 executive order number 83-15, dated March 15, 1983.

8.22 Subd. 2. **Program established; administration.** (a) The commissioner shall ~~shall~~ must
 8.23 establish and administer a teacher shortage loan forgiveness program. A teacher is eligible
 8.24 for the program if the teacher is teaching in an identified teacher shortage area under
 8.25 subdivision 3 and complies with the requirements of this section.

8.26 (b) The commissioner must give equal consideration to all applicants regardless of the
 8.27 order the application was received before the application deadline. If the amount appropriated
 8.28 for this program is insufficient to make full awards to eligible applicants, the commissioner
 8.29 must give priority for awarding loan forgiveness to: first, applicants with the greatest financial
 8.30 need considering the applicant's income, household size, and total qualified educational
 8.31 loan; and, second, applicants teaching in the most severe licensure shortage areas in the
 8.32 economic development region where they teach.

9.1 (c) The commissioner must ensure an equitable distribution of student loan repayment
 9.2 funds to teachers across all economic development regions using a method determined by
 9.3 the commissioner. Funds reserved under paragraph (d) must be allocated separately.

9.4 (d) The amount reserved under this paragraph seeks to improve all students' access to
 9.5 effective and diverse teachers under sections 120B.11 and 124D.861. So long as the aggregate
 9.6 percentage of teachers of color and American Indian teachers in the state, as determined by
 9.7 the Professional Educator Licensing and Standards Board, is lower than the aggregate
 9.8 percentage of kindergarten through grade 12 students of color and kindergarten through
 9.9 grade 12 American Indian students in the state, as determined by the commissioner of
 9.10 education under section 120B.35, subdivision 3, the commissioner must reserve a percentage
 9.11 of the loan forgiveness program's available funds for those teachers eligible for loan
 9.12 forgiveness under the criteria in subdivision 4, paragraph (b), clause (2). The percentage
 9.13 reserved under this paragraph must be equal to or greater than the aggregate percentage of
 9.14 kindergarten through grade 12 students of color and kindergarten through grade 12 American
 9.15 Indian students in the state, as determined by the commissioner of education under section
 9.16 120B.35, subdivision 3.

9.17 ~~Subd. 3. **Report on teacher shortage areas.** Using data collected for the teacher supply~~
 9.18 ~~and demand report to the legislature under section 122A.091, subdivision 5, the Professional~~
 9.19 ~~Educator Licensing and Standards Board shall identify the licensure fields and economic~~
 9.20 ~~development regions in Minnesota experiencing a teacher shortage.~~

9.21 Subd. 4. **Application for loan forgiveness; eligibility.** (a) Each applicant for loan
 9.22 forgiveness, ~~according to rules adopted by the commissioner, shall~~ must:

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

9.25 (2) submit to the commissioner a completed affidavit, prescribed by the commissioner,
 9.26 affirming the teacher is ~~teaching in: (i) a licensure field identified by the commissioner as~~
 9.27 ~~experiencing a teacher shortage; or (ii) an economic development region identified by the~~
 9.28 ~~commissioner as experiencing a teacher shortage~~ eligible for loan forgiveness.

9.29 (b) To be eligible for loan forgiveness under this section, a teacher must have taught in
 9.30 Minnesota for at least one complete school year and:

9.31 (1) be currently teaching in one of the ten most severe licensure shortage areas in the
 9.32 teacher's economic development region; or

10.1 (2) be currently teaching in Minnesota and self-identify to the commissioner as a person
 10.2 of color or American Indian.

10.3 (c) A teacher may be eligible under the criteria in paragraph (b), clause (2), so long as
 10.4 the aggregate percentage of teachers of color and American Indian teachers in the state, as
 10.5 determined by the Professional Educator Licensing and Standards Board, is lower than the
 10.6 aggregate percentage of kindergarten through grade 12 students of color and kindergarten
 10.7 through grade 12 American Indian students in the state, as determined by the commissioner
 10.8 of education under section 120B.35, subdivision 3. Only individuals who close the gap
 10.9 between these percentages are eligible under this criteria.

10.10 Subd. 5. **Amount of loan forgiveness.** (a) To the extent funding is available, the annual
 10.11 amount of teacher shortage loan forgiveness for an approved applicant ~~shall~~ must not exceed
 10.12 ~~\$1,000~~ \$2,000 or the cumulative balance of the applicant's qualified educational loans,
 10.13 including principal and interest, whichever amount is less.

10.14 (b) Recipients must secure their own qualified educational loans. Teachers who graduate
 10.15 from an approved teacher preparation program or teachers who add a licensure field,
 10.16 consistent with the teacher shortage requirements of this section, are eligible to apply for
 10.17 the loan forgiveness program.

10.18 (c) No teacher ~~shall~~ may receive more than ~~five~~ ten annual awards.

10.19 (d) Notwithstanding paragraph (a), an approved applicant who meets both eligibility
 10.20 criteria under subdivision 4, paragraph (b), clauses (1) and (2), may receive an annual amount
 10.21 of up to \$3,000 or the cumulative balance of the applicant's qualified educational loans,
 10.22 including principal and interest, whichever amount is less.

10.23 Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements directly
 10.24 to the participant of the amount for which a participant is eligible, for each year that a
 10.25 participant is eligible.

10.26 (b) Within 60 days of the disbursement date, the participant must provide the
 10.27 commissioner with verification that the full amount of loan repayment disbursement has
 10.28 been applied toward the designated loans. A participant that previously received funds under
 10.29 this section but has not provided the commissioner with such verification is not eligible to
 10.30 receive additional funds.

10.31 Subd. 7. **Penalties.** (a) A teacher who submits a false or misleading application or other
 10.32 false or misleading information to the commissioner may:

10.33 (1) have his or her teaching license suspended or revoked under section 122A.20;

11.1 (2) be disciplined by the teacher's employing school district; or

11.2 (3) be required by the commissioner to repay the total amount of the loan forgiveness
11.3 he or she received under this program, plus interest at a rate established under section
11.4 270C.40.

11.5 (b) The commissioner must deposit any repayments received under paragraph (a) in the
11.6 fund established in subdivision 8.

11.7 Subd. 8. **Account established.** A teacher shortage loan forgiveness repayment account
11.8 is created in the special revenue fund for depositing money appropriated to or received by
11.9 the commissioner for the program. Money deposited in the account is appropriated to the
11.10 commissioner, does not cancel, and is continuously available for loan forgiveness under
11.11 this section.

11.12 Subd. 9. **Annual reporting.** By February 1 of each year, the commissioner must report
11.13 to the chairs of the kindergarten through grade 12 and higher education committees of the
11.14 legislature on:

11.15 (1) the balance of the teacher shortage loan forgiveness repayment account in the special
11.16 revenue fund;

11.17 (2) the amounts of funds allocated among the economic development regions;

11.18 (3) the number of eligible individuals who applied for loan forgiveness and the number
11.19 of individuals who received loan forgiveness under this section; and the basis for their
11.20 eligibility;

11.21 (4) the race or ethnicity of the teachers participating in the program;

11.22 (5) the licensure shortage areas and economic development regions in which the teachers
11.23 taught;

11.24 (6) for recipients, the total amount of the all qualified education loan debts stated, the
11.25 average amount of qualified loan debt, and the range in amount of loan debt stated;

11.26 (7) the average amount paid to a teacher participating in the program; and

11.27 (8) other summary data identified by the commissioner as outcome indicators.

11.28 Subd. 10. **Rulemaking.** ~~The commissioner shall adopt rules under chapter 14 to~~
11.29 ~~administer this section.~~

12.1 Sec. 4. **APPROPRIATIONS.**

12.2 **Subdivision 1. Aspiring teachers of color scholarships.** (a) \$10,150,000 in fiscal year
12.3 2022 and \$16,150,000 in fiscal year 2023 are appropriated from the general fund to the
12.4 commissioner of the Office of Higher Education for transfer to the aspiring teachers of color
12.5 account in the special revenue fund under Minnesota Statutes, section 136A.1274, subdivision
12.6 4.

12.7 (b) The commissioner of the Office of Higher Education may use no more than \$150,000
12.8 of the appropriation amount in this subdivision to administer the program.

12.9 (c) The base appropriation for fiscal year 2024 and later is \$16,150,000.

12.10 **Subd. 2. Student teacher grants.** (a) \$2,318,000 in fiscal year 2022 and \$3,100,000 in
12.11 fiscal year 2023 are appropriated from the general fund to the commissioner of the Office
12.12 of Higher Education for student teacher grants under Minnesota Statutes, section 136A.1275.

12.13 (b) In each fiscal year, \$500,000 of the appropriation must be allocated according to the
12.14 formula in Minnesota Statutes, section 136A.1275, subdivision 3, paragraph (c).

12.15 (c) In addition to any amount reserved under paragraph (b), \$1,818,000 of the
12.16 appropriation for fiscal year 2022 and \$2,600,000 of the appropriation for fiscal year 2023
12.17 are reserved for student teachers eligible for a grant under the criteria established in
12.18 Minnesota Statutes, section 136A.1275, subdivision 2, paragraph (a), clause (2), item (ii).
12.19 If these amounts cannot be fully spent because of a lack of qualifying applicants, any
12.20 remainder must be transferred to the student teacher grant program reserve account in the
12.21 special revenue fund established under Minnesota Statutes, section 136A.1275, subdivision
12.22 4.

12.23 (d) The commissioner of the Office of Higher Education may use no more than \$100,000
12.24 of the appropriation amount in this subdivision to administer the program.

12.25 **Subd. 3. Teacher shortage loan forgiveness program.** (a) \$2,000,000 in fiscal year
12.26 2022 and \$2,000,000 in fiscal year 2023 are appropriated from the general fund to the
12.27 commissioner of the Office of Higher Education for transfer to the teacher shortage loan
12.28 forgiveness repayment account in the special revenue fund under Minnesota Statutes, section
12.29 136A.1791, subdivision 8.

12.30 (b) The commissioner may use no more than three percent of the amount transferred
12.31 under this subdivision to administer the program.

12.32 (c) The base appropriation for fiscal year 2024 and later is \$5,000,000.

13.1 Sec. 5. **REPEALER.**

13.2 Minnesota Rules, parts 4830.9100; 4830.9110; 4830.9120; and 4830.9130, subparts 2

13.3 and 3, are repealed.

4830.9100 SCOPE.

Parts 4830.9110 to 4830.9130 govern the teacher shortage loan forgiveness program.

4830.9110 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4830.9120 and 4830.9130, the terms defined in this part or in Minnesota Statutes, section 136A.1791, have the meanings given them.

Subp. 2. **Employed.** "Employed" means an individual currently providing classroom instruction.

Subp. 3. **Qualified educational loan.** "Qualified educational loan" means a loan, as defined in Minnesota Statutes, section 136A.1791, subdivision 1, that is not one of the following:

A. PLUS loans made under the Federal Family Education Loan (FFEL) program or Federal Direct Loan programs to parents of dependent undergraduate students;

B. Federal Consolidation Loans or Federal Direct Consolidation Loans that repaid a parent PLUS loan; or

C. federal, state, commercial, or foundation loans that are in default.

Subp. 4. **Teacher shortage area.** "Teacher shortage area" means a licensure field, economic development region, or other shortage area identified by the Minnesota Department of Education. The commissioner of education shall provide an annual notice to the office identifying teacher shortage areas using the data collected for the report required under Minnesota Statutes, section 127A.05, subdivision 6.

4830.9120 ELIGIBLE PARTICIPANTS.

To be an eligible participant, an individual must:

A. hold a teaching license issued by the licensing division in the Minnesota Department of Education on behalf of the Professional Educator Licensing and Standards Board;

B. be employed by a school district, as defined in Minnesota Statutes, section 136A.1791, subdivision 1, paragraph (c), to provide classroom instruction in a teacher shortage area;

C. not have received five annual awards from this program;

D. provide a completed application;

E. have outstanding qualified educational loan debt;

F. not submit false or misleading information on any application to this program;
and

G. provide verification of the application of previously awarded funds toward eligible qualified educational loans, if the applicant has previously received an award.

4830.9130 APPLICATION AND DISBURSEMENT OF FUNDS.

Subp. 2. **Award amount.** The amount of an eligible participant's annual award shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans, including principal and interest, whichever amount is less.

Subp. 3. **Funds availability.** If there are insufficient funds to provide an award to all eligible participants, the commissioner shall not prorate each award. The commissioner shall prioritize the awards to eligible participants based on:

APPENDIX
Repealed Minnesota Rules: 21-02119

- A. the financial need of an applicant, considering the applicant's income, household size, and total qualified educational loan;
- B. previous awards to the applicant from the teacher shortage loan forgiveness program;
- C. whether the applicant is employed in an economic development region that is a teacher shortage area;
- D. whether the applicant is employed in a teacher shortage area within the applicant's economic development region;
- E. whether the applicant is employed in a statewide teacher shortage area; and
- F. the statewide distribution of funds.