

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

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

2.5 (c) "Licensure shortage area" means a licensure field within an economic development
2.6 region experiencing a shortage of Tier 3 or Tier 4 licensed teachers as determined by the
2.7 Professional Educator Licensing and Standards Board in coordination with the commissioner
2.8 using data collected for the teacher supply and demand report under section 122A.091,
2.9 subdivision 5, and the tiered license and special permission report in accordance with
2.10 Minnesota Rules, part 8710.0310, subpart 8. The severity of a licensure shortage area is
2.11 determined by the percentage of teachers working in a licensure field not holding a Tier 3
2.12 or Tier 4 license in that field where there are at least ten teachers in the economic
2.13 development region working within that licensure field.

2.14 (d) "Permanent residence" means:

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

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

2.19 (e) "Racial or ethnic group underrepresented in the teacher workforce" means a racial
2.20 or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or
2.21 ethnic group is lower than the aggregate percentage of Minnesota kindergarten through
2.22 grade 12 students of that racial or ethnic group.

2.23 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a student teacher
2.24 candidate must:

2.25 (1) meet all of the following criteria:

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

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

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

3.1 (2) meet one of the following criteria:

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

3.6 (ii) belong to a racial or ethnic group underrepresented in the Minnesota teacher
3.7 workforce. Intent can be documented based on the teacher license field the student is pursuing
3.8 or a statement of intent to teach in an economic development region defined as a shortage
3.9 area in the year the student receives a grant.

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

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

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

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

3.17 These notification deadlines do not apply in cases where grants are awarded to student
3.18 teachers who applied after application deadlines and there were funds remaining after the
3.19 initial round of grants awarded.

3.20 (b) The commissioner must determine each academic year the stipend amount up to
3.21 \$7,500 based on the amount of available funding, the number of eligible applicants, and the
3.22 financial need of the applicants.

3.23 (c) In order to improve all students' access to effective and diverse teachers under sections
3.24 120B.11 and 124D.861, a percentage of the total award funds available at the beginning of
3.25 the fiscal year must be reserved for student teachers belonging to a racial or ethnic group
3.26 underrepresented in the teacher workforce. The percentage of the total award funds available
3.27 at the beginning of the fiscal year reserved for teacher candidates who identify as belonging
3.28 to a racial or ethnic group underrepresented in the Minnesota teacher workforce must be
3.29 equal to or greater than the total percentage of kindergarten through grade 12 students of
3.30 racial or ethnic groups underrepresented in the Minnesota teacher workforce as measured
3.31 under section 120B.35, subdivision 3. If this percentage cannot be ~~met~~ fully spent because
3.32 of a lack of qualifying candidates, the remaining amount ~~may be awarded to teacher~~

~~candidates who intend to teach in a shortage area~~ must be transferred to the student teacher grant program reserve account.

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

Subd. 4. **Creation of account.** A student teacher grant program reserve account is established in the special revenue fund. Money in the account is appropriated to the commissioner to fund grants to student teachers belonging to a racial or ethnic group underrepresented in the teacher workforce. Appropriations from the account do not cancel and are available until expended.

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

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

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

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

(4) separately for eligibility based on licensure shortage area and eligibility based on racial or ethnic underrepresentation:

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

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

(b) The report under paragraph (a) must be submitted in compliance with sections 3.195 and 3.197.

(c) Within 60 days after each round of award notifications required under subdivision 3, paragraph (a), the commissioner must publish on the Office of Higher Education's website

5.1 a report with data on the most recent round of grant awards. The report must include the
5.2 same information required to be included in the report under paragraph (a).

5.3 **EFFECTIVE DATE.** This section is effective July 1, 2020, except that the commissioner
5.4 may delay notification to student teachers receiving grants for the fall 2020 term until August
5.5 15, 2020.

5.6 Sec. 2. Minnesota Statutes 2018, section 136A.1791, as amended by Laws 2020, chapter
5.7 109, article 1, sections 11 and 12, is amended to read:

5.8 **136A.1791 TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM.**

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

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

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

5.17 (d) "Teacher" means an individual holding a teaching license issued by the Professional
5.18 Educator Licensing and Standards Board who is employed by a school district to provide
5.19 classroom instruction, or a Head Start or Early Head Start nonlicensed early childhood
5.20 professional employed by a Head Start program under section 119A.50.

5.21 (e) "Teacher shortage area" means:

5.22 (1) the licensure fields and economic development regions reported by the Professional
5.23 Educator Licensing and Standards Board in coordination with the commissioner as
5.24 experiencing a teacher shortage; and

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

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

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

(h) "Racial or ethnic group underrepresented in the teacher workforce" has the meaning given in section 136A.1275.

(i) "Licensure shortage area" has the meaning given in section 136A.1275.

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

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

(c) The commissioner must ensure an equitable distribution of student loan repayment funds to teachers across all economic development regions using a method determined by the commissioner. Funds dedicated to teachers from racial or ethnic groups underrepresented in the teacher workforce must be allocated separately.

(d) In order to improve all students' access to effective and diverse teachers under sections 120B.11 and 124D.861, a percentage of the total program funds available at the beginning of the fiscal year must be reserved for teachers belonging to a racial or ethnic group underrepresented in the teacher workforce. The percentage of the total award funds available at the beginning of the fiscal year reserved for teachers who identify as belonging to a racial or ethnic group underrepresented in the teacher workforce must be equal to or greater than the total percentage of kindergarten through grade 12 students of racial or ethnic groups underrepresented in the Minnesota teacher workforce as measured under section 120B.35, subdivision 3.

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

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

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

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

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

(1) have taught for at least one year and still be currently teaching in one of the ten most severe licensure shortage areas in the teacher's economic development region; or

(2) belong to a racial or ethnic group underrepresented in the teacher workforce.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.1 Subd. 10. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to
 9.2 administer this section.

9.3 Sec. 3. Laws 2019, chapter 64, article 1, section 2, subdivision 28, is amended to read:

9.4 Subd. 28. **Grants to Teacher Candidates** 1,250,000 1,250,000

9.5 For grants to teacher candidates under
 9.6 Minnesota Statutes, section 136A.1275. Of
 9.7 this amount, \$750,000 each year is directed
 9.8 to support candidates belonging to an
 9.9 underrepresented racial or ethnic group and
 9.10 meeting other eligibility requirements. This
 9.11 dedicated amount is in addition to any amount
 9.12 reserved under Minnesota Statutes, section
 9.13 136A.1275, subdivision 3, paragraph (c). If
 9.14 this dedicated amount is not fully spent
 9.15 because of a lack of qualifying candidates, any
 9.16 remaining amount ~~may be awarded to~~
 9.17 ~~qualifying teacher candidates in a shortage~~
 9.18 ~~area~~ money must be transferred to the student
 9.19 teacher grant program reserve account.

9.20 The commissioner may use no more than ~~three~~
 9.21 five percent of the appropriation for
 9.22 administration of the program.

9.23 **EFFECTIVE DATE.** This section is effective July 1, 2020. Amendments in this section
 9.24 apply only to the appropriation in fiscal year 2021.

9.25 Sec. 4. **RACE AND ETHNICITY DATA COLLECTION REPORT.**

9.26 (a) The commissioner of the Office of Higher Education shall consult stakeholders and
 9.27 review efforts underway at the Minnesota Department of Education to develop
 9.28 recommendations for collecting detailed race and ethnicity data within postsecondary
 9.29 education. Stakeholders consulted under this paragraph include at least:

9.30 (1) postsecondary systems and institutions;

9.31 (2) student groups; and

9.32 (3) community representatives.

10.1 (b) The commissioner shall report to the legislative committees having jurisdiction over
10.2 higher education by December 1, 2020. The commissioner may research best practices from
10.3 other states that have disaggregated race and ethnicity data beyond the requirements of
10.4 federal reporting requirements. The recommendations may address:

10.5 (1) the most meaningful use of disaggregated race and ethnicity data to measure
10.6 postsecondary outcomes;

10.7 (2) the criteria and frequency by which postsecondary systems and institutions must
10.8 update enrollment forms to meet the needs of the state's changing racial and ethnic
10.9 demographics;

10.10 (3) impact on federal funding; and

10.11 (4) implications for student privacy.

10.12 Sec. 5. **REPEALER.**

10.13 Minnesota Rules, part 4830.9130, subparts 2 and 3, are repealed.

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:

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.