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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 381

01/17/2023 Authored by Kozlowski, Keeler, Clardy, Hussein, Noor 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; making permanent a pilot scholarship program for aspiring
1.4 teachers of color; establishing a special revenue fund account; modifying provisions
1.5 of the teacher shortage loan repayment program; appropriating money; amending
1.6 Minnesota Statutes 2022, section 136A.1791, subdivisions 2, 5; Laws 2021, First
1.7 Special Session chapter 2, article 2, section 45.

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

1.9 Section 1. Minnesota Statutes 2022, section 136A.1791, subdivision 2, is amended to
1.10 read:

1.11 Subd. 2. Program established; administration. (a) The commissioner shall establish
1.12 and administer a teacher shortage loan repayment program.

1.13 (b) The commissioner must establish an application deadline and give equal consideration
1.14 to all applicants regardless of the order the application was received before the deadline.

1.15 (c) If the funds available for the program are insufficient to make full awards to eligible
1.16 applicants, the commissioner must prioritize awards as follows:

1.17 (1) to applicants with the greatest financial need, taking into consideration the applicant's
1.18 income, household size, total qualified educational loan debt, and other relevant factors;

1.19 and

1.20 (2) to applicants meeting more than one of the three eligibility categories in subdivision

1.21 3a.

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

2.4 (e) So long as the aggregate percentage of teachers of color and American Indian teachers  
 2.5 in the state, as determined by the Professional Educator Licensing and Standards Board, is  
 2.6 lower than the aggregate percentage of kindergarten through grade 12 students of color and  
 2.7 kindergarten through grade 12 American Indian students in the state, as determined by the  
 2.8 commissioner of education under section 120B.35, subdivision 3, the commissioner must  
 2.9 reserve a percentage of the loan forgiveness program's available funds for those teachers  
 2.10 eligible for loan forgiveness because they belong to a racial or ethnic group underrepresented  
 2.11 in the teacher workforce. The percentage reserved under this paragraph must be equal to or  
 2.12 greater than the aggregate percentage of kindergarten through grade 12 students of color  
 2.13 and kindergarten through grade 12 American Indian students in the state, as determined by  
 2.14 the commissioner of education under section 120B.35, subdivision 3. Funds reserved under  
 2.15 this paragraph must be considered separately for purposes of prioritizing awards under  
 2.16 paragraph (c). The amount reserved under this paragraph seeks to improve all students'  
 2.17 access to effective and diverse teachers under sections 120B.11 and 124D.861.

2.18 Sec. 2. Minnesota Statutes 2022, section 136A.1791, subdivision 5, is amended to read:

2.19 Subd. 5. **Amount of loan repayment.** (a) To the extent funding is available, the  
 2.20 maximum annual amount of a teacher shortage loan repayment award for an approved  
 2.21 applicant is as follows:

2.22 (1) for an applicant meeting only one of the three eligibility categories under subdivision  
 2.23 3a, the maximum award amount shall not exceed \$1,000 \$2,000 or the cumulative balance  
 2.24 of the applicant's qualified educational loans, including principal and interest, whichever  
 2.25 amount is less; and

2.26 (2) for an applicant meeting two or more of the three eligibility categories under  
 2.27 subdivision 3a, the maximum award amount shall not exceed \$4,000 or the cumulative  
 2.28 balance of the applicant's qualified educational loans, including principal and interest,  
 2.29 whichever amount is less.

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

3.1 (c) No teacher shall receive more than five annual awards.

3.2 Sec. 3. Laws 2021, First Special Session chapter 2, article 2, section 45, is amended to  
3.3 read:

3.4 Sec. 45. **ASPIRING MINNESOTA TEACHERS OF COLOR SCHOLARSHIP**  
3.5 **PILOT PROGRAM.**

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

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

3.12 (1) either be admitted and enrolled in a teacher preparation program approved by the  
3.13 Professional Educator Licensing and Standards Board and be seeking initial licensure; or  
3.14 be enrolled in an eligible institution under section 136A.103 and be completing a two-year  
3.15 program specifically designed to prepare early childhood educators an associate's degree  
3.16 in early childhood education, education, or special education;

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

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

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

3.22 (b) An eligible applicant may receive a scholarship award more than once, but may  
3.23 receive a total of no more than ~~\$25,000~~ \$30,000 in scholarship awards from the program.

3.24 (c) An applicant may apply for both a scholarship under this section and an  
3.25 underrepresented student teacher grant under section 136A.1274, but may not receive an  
3.26 award from both programs during the same academic semester or term unless there are  
3.27 sufficient funds appropriated to support all eligible applicants.

3.28 Subd. 3. **Scholarship award amount.** (a) The commissioner must establish a priority  
3.29 application deadline and must give equal consideration to all eligible applicants regardless  
3.30 of the applicant's attended institution or the order the application was received before the  
3.31 priority application deadline. If the funds available for the program are insufficient to make

4.1 full awards to all eligible applicants who apply on or before the deadline, the commissioner  
4.2 must make awards based on the ~~expected family contribution~~ Student Aid Index of an  
4.3 applicant, prioritizing applicants with the lowest ~~expected family contributions~~ Student Aid  
4.4 Indexes. If there are multiple complete applications with identical ~~expected family~~  
4.5 ~~contributions~~ Student Aid Indexes, those applications may be prioritized by application  
4.6 completion date.

4.7 (b) For eligible applicants enrolled in a teacher preparation program as part of a  
4.8 baccalaureate or postbaccalaureate degree program, the maximum award amount is \$10,000  
4.9 per year for full-time study. For eligible applicants enrolled in an associate's degree program,  
4.10 the maximum award amount is \$6,000 per year for full-time study. For undergraduate  
4.11 students, full-time study means enrollment in a minimum of 15 or more credits per term.  
4.12 For graduate students, full-time study means enrollment in a minimum of six graduate  
4.13 credits or the equivalent.

4.14 (c) If an eligible applicant is enrolled full time in a program for only one term during  
4.15 the academic year, the applicant may receive no more than half the applicable maximum  
4.16 award amount is \$5,000. If an eligible applicant is enrolled part time, the award amount  
4.17 must be prorated on a per-credit basis.

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

4.21 (e) An eligible applicant's individual award amount must not exceed the applicant's cost  
4.22 of attendance after deducting: (1) the student's ~~expected family contribution~~ Student Aid  
4.23 Index; (2) the sum of all state or federal grants and gift aid received, including a Pell Grant  
4.24 and state grant; (3) the sum of all institutional grants, scholarships, tuition waivers, and  
4.25 tuition remission amounts; and (4) the amount of any private grants or scholarships.

4.26 (f) Awards are made until available funds are expended. Eligible applicants who  
4.27 completed their applications on or before the priority application deadline but who did not  
4.28 receive an award due to insufficient funds, and eligible applicants who completed their  
4.29 applications after the priority application deadline, shall be placed on an award waiting list  
4.30 by order of application completion date.

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

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

5.5 Subd. 4a. **Account established.** An aspiring Minnesota teachers of color scholarship  
5.6 program account is created in the special revenue fund for depositing money appropriated  
5.7 to or received by the commissioner for the program. Money deposited in the account is  
5.8 appropriated to the commissioner, does not cancel, and is continuously available for  
5.9 scholarship awards under this section.

5.10 Subd. 5. **Service expectation.** An applicant who receives a scholarship under this section  
5.11 is expected to serve as a full-time teacher in Minnesota after completing the program for  
5.12 which the scholarship was awarded.

5.13 Subd. 6. **Report.** By December 15 of each year, the commissioner must submit a full  
5.14 report on the details of the scholarship program for the previous fiscal year to the legislative  
5.15 committees with jurisdiction over E-12 and higher education finance and policy. The reports  
5.16 must also be made available on the Office of Higher Education's website. The reports must  
5.17 include the following information:

5.18 (1) the number of applicants and the number of award recipients, each broken down by  
5.19 postsecondary institution with ten or more recipients;

5.20 (2) the total number of awards, the total dollar amount of all awards, and the average  
5.21 award amount;

5.22 (3) summary data on the racial or ethnic identity, gender, licensure area sought, and  
5.23 enrollment status of all applicants and award recipients; and

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

5.25 Sec. 4. **APPROPRIATIONS.**

5.26 Subdivision 1. **Aspiring Minnesota teachers of color scholarship program.** (a)  
5.27 \$18,500,000 in fiscal year 2024 and \$18,500,000 in fiscal year 2025 are appropriated from  
5.28 the general fund for transfer to the aspiring Minnesota teachers of color scholarship program  
5.29 account in the special revenue fund under Laws 2021, First Special Session chapter 2, article  
5.30 2, section 45, as amended by this act. The commissioner of the Office of Higher Education  
5.31 and the commissioner of the Department of Management and Budget shall transfer to the  
5.32 program's special revenue fund account any remaining balance of the amount appropriated

6.1 for the program in Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision  
6.2 38.

6.3 (b) The commissioner may use no more than \$200,000 of this appropriation to administer  
6.4 the program.

6.5 (c) The base for this appropriation is \$10,000,000 in fiscal year 2026 and later.

6.6 Subd. 2. **Grants to underrepresented student teachers.** (a) \$2,500,000 in fiscal year  
6.7 2024 and \$2,500,000 in fiscal year 2025 are appropriated from the general fund to the  
6.8 commissioner of the Office of Higher Education for grants to underrepresented student  
6.9 teachers under Minnesota Statutes, section 136A.1274.

6.10 (b) The commissioner may use no more than three percent of this appropriation to  
6.11 administer the program.

6.12 (c) The base for this appropriation is \$3,000,000 in fiscal year 2026 and later.

6.13 Subd. 3. **Teacher shortage loan repayment program.** (a) \$8,250,000 in fiscal year  
6.14 2024 and \$8,250,000 in fiscal year 2025 are appropriated from the general fund for transfer  
6.15 to the teacher shortage loan repayment account in the special revenue fund under Minnesota  
6.16 Statutes, section 136A.1791, subdivision 8.

6.17 (b) The amount reserved for eligible applicants belonging to a racial or ethnic group  
6.18 underrepresented in the teacher workforce pursuant to Minnesota Statutes, section 136A.1791,  
6.19 subdivision 2, paragraph (e), as amended by this act, may be no less than \$8,000,000 in  
6.20 each fiscal year.

6.21 (c) The commissioner may use no more than \$250,000 of this appropriation to administer  
6.22 the program.

6.23 (d) The base for this appropriation is \$8,250,000 in fiscal year 2026 and later.

6.24 **Sec. 5. REVISOR INSTRUCTION.**

6.25 The revisor of statutes shall codify Laws 2021, First Special Session chapter 2, article  
6.26 2, section 45, as amended by this act, as a new section in Minnesota Statutes numbered  
6.27 136A.1273.