HB 2206

Introduced by

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)
Be it enacted by the Legislature of the State of Arizona:
Section 1. Title 15, chapter 13, Arizona Revised Statutes, is amended by adding article 11, to read:

ARTICLE 11. TEACHER SHORTAGE STUDENT LOAN PROGRAM

15-1781. Definition of board

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

15-1782. Teacher shortage student loans; requirements

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

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

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

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

C. EACH LOAN SHALL BE EVIDENCED BY A CONTRACT BETWEEN THE STUDENT AND THE BOARD, ACTING ON BEHALF OF THIS STATE. THE CONTRACT SHALL PROVIDE FOR THE PAYMENT OF A STATED AMOUNT TO DEFRAY THE COSTS INCURRED BY A STUDENT DURING THE STUDENT’S PURSUIT OF A TEACHING DEGREE AT A UNIVERSITY OR PREPARATION AT A COMMUNITY COLLEGE FOR THE PURSUIT OF A TEACHING DEGREE, OR BOTH, OR DURING ANY YEAR OF A POSTBACCALAUREATE TEACHING CERTIFICATE PROGRAM AT A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD. THE CONTRACT SHALL PROVIDE THAT THE LOAN RECIPIENT WHO SERVES AS A TEACHER IN A SCHOOL LOCATED IN A GEOGRAPHIC AREA IN THIS STATE THAT IS EXPERIENCING A SHORTAGE OF TEACHERS, AS DETERMINED BY THE STATE BOARD OF EDUCATION, MAY RECEIVE COMPENSATION FROM THE BOARD FOR THAT SERVICE AND OTHER SERVICES DESIGNATED IN THE CONTRACT AND THAT THE COMPENSATION SHALL BE CREDITED AGAINST AMOUNTS DUE UNDER THE LOAN NOT TO EXCEED THE AMOUNT OF THE LOAN AND ANY INTEREST ACCRUED ON THE LOAN. THIS SERVICE SHALL BE FULL-TIME AS DETERMINED BY THE BOARD AND SHALL BE FOR ONE YEAR OF SERVICE FOR EACH YEAR OF LOAN SUPPORT. A LOAN AND THE INTEREST ACCRUED ON THE LOAN MAY BE FULLY PAID WITH COMPENSATION RECEIVED
FOR SERVICES AS REQUIRED BY THE CONTRACT OR AT THE OPTION OF THE RECIPIENT BY
PAYMENT OF ALL MONIES AND INTEREST FOR FAILURE TO FULFILL THE CONTRACT.

D. A LOAN RECIPIENT SHALL BEGIN THE SERVICE FOR WHICH THE RECIPIENT
 Contracted as a condition of the loan within one year after completion of the
Recipient's teaching degree unless the board extends this time to two years.
A recipient who is ordered into military service or who for other cause
beyond the recipient's control and that is deemed sufficient by the board is
unable to begin the required service within one year after graduation shall
begin the required service within one year after completing military service
or the end of the other cause.

E. If a recipient decides not to fulfill the conditions of the
contract by teaching at a school that is located in a geographic area in this
state that is experiencing a shortage of teachers, as determined by the state
board of education, the contract shall provide that the recipient is required
to repay the full amount of the loan plus interest. The board may waive the
payment of interest if it determines that death or permanent physical
disability accounts for the recipient's failure to fulfill the contract.

F. If a recipient withdraws from the teaching program or is dismissed
from the university at which the recipient is pursuing a teaching degree or
from the community college at which the recipient is preparing for the
pursuit of a teaching degree, the recipient shall repay the loan to the board
within one year after withdrawal or dismissal. For good cause
shown the board may provide for extensions on the period of repayment.

G. On receipt of supporting documentation, the board for good cause
shown may defer the recipient's service or payment obligation or may enter
into repayment arrangements with the recipient or allow service that is
equivalent to full-time service if the board determines that this action is
justified after a review of the individual's circumstances.

H. The attorney general may commence whatever actions are necessary to
enforce the contract and achieve repayment of loans provided by the board
pursuant to this article.

15-1784. Teacher shortage student loan fund; exemption
A. The teacher shortage student loan fund is established. All monies
appropriated to carry out the purposes of sections 15-1782 and 15-1783 shall
be deposited in the fund, and all payments of principal and interest received
by the board shall be deposited, pursuant to sections 35-146 and 35-147, in
the fund.

B. Monies in the fund are subject to legislative appropriation and are
exempt from the provisions of section 35-190 relating to lapsing of
appropriations.

15-1785. Program termination
The program established by this article ends on July 1, 2017 pursuant
to section 41-3102.
Sec. 2. Appropriation; board of regents for teacher shortage student loans

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