

SENATE BILL REPORT

SHB 2708

As Reported By Senate Committee On:
Higher Education, February 23, 2004

Title: An act relating to conditional scholarships and loan repayments for prospective teachers.

Brief Description: Providing for conditional scholarships and loan repayments for prospective teachers.

Sponsors: House Committee on Higher Education (originally sponsored by Representatives Ormsby, Kenney, Cox, Fromhold, Moeller, Dickerson, Chase, Lantz, Morrell, Wood, Hudgins and Kagi).

Brief History:

Committee Activity: Higher Education: 2/19/04, 2/23/04 [DPA].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass as amended.

Signed by Senators Carlson, Chair; Schmidt, Vice Chair; Horn, Kohl-Welles, Pflug, B. Sheldon and Shin.

Staff: Jean Six (786-7423)

Background: *Conditional Scholarships:* The first conditional teachers' scholarship program was enacted in 1987. Individuals could receive the scholarship for up to five years in the form of a loan. Repayment on the loan was forgiven at a rate of one year of repayment for every two years the recipient taught in a K-12 public school in Washington. The Higher Education Coordinating Board (HECB) administered the program. The Legislature provided \$300,000 per year for the program until 1994. The program is still in statute, but is inactive due to lack of funding.

In recent years concern about a possible teacher shortage has reignited interest in incentives to encourage individuals to enter the teaching profession. Starting with the 2000 supplemental budget, the Legislature has provided conditional scholarships for classified K-12 employees to become teachers. For 2001-03 the Legislature also provided conditional scholarships to classified K-12 employees enrolled in certain alternative teacher certification programs. Statutory language or budget provisos creating these scholarships each used slightly different terms and conditions.

Shortage Areas: In a survey conducted in 2002 by the Office of the Superintendent of Public Instruction (OSPI), school districts reported shortages of teachers in special education, math, sciences, English as a second language, bilingual education, and several other subjects.

Summary of Amended Bill: Current laws pertaining to a future teachers conditional scholarship administered by HECB are amended to include a priority for participants seeking

certification or additional endorsement in math, science, technology, or special education. Selection criteria also emphasize bilingual ability and willingness to commit to providing teaching service in shortage areas. Shortage area means a shortage of teachers in a specific subject, discipline, or geographic area as defined by OSPI. A specific list of approved education programs is replaced with general language permitting participants to teach in any K-12 school in the state or other K-12 educational sites designated by HECB. In addition to convening a separate selection committee, HECB may use selection processes for similar students in cooperation with the Professional Educator Standards Board or OSPI.

Rather than being set at \$3,000, the scholarship is the amount of tuition and fees paid by the participant, with a maximum equal to resident undergraduate tuition and fees at the University of Washington. If a participant teaches in a shortage area, one year of conditional scholarship is forgiven for every year of teaching. Recipients who fail to meet the teaching service obligation must repay not only the scholarship plus interest, but also an equalization fee that makes the debt owed by the student similar to the federal Stafford Student Loan program. Specific language pertaining to interest penalty rates, repayment periods, and deferments is removed from statute, and HECB is authorized to adopt rules on these topics.

A conditional loan repayment program is created. HECB can agree to repay federal student loans a student has incurred in exchange for teaching service. Each year, the participant must provide evidence of teaching service in order to receive a loan repayment. HECB can pay the participant directly or arrange to pay the holder of the student loan. The selection criteria, repayment limits, and ratio of loan repayment to required teaching service are the same as for the conditional scholarship program.

A future teachers conditional scholarship account is created in the custody of the State Treasurer, to be used for any new funds appropriated for the program and repayments from previous conditional scholarship programs. An appropriation is not required for expenditures from the account, and interest earned stays with the account.

Amended Bill Compared to Original Bill: Original statute language remains declaring the intention to complete an approved program.

Appropriation: None.

Fiscal Note: Requested on February 5, 2004.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: We need creative solutions to meeting teacher shortages in specific areas. The HECB recommends consolidating all four conditional teacher scholarships into one fund. The bill provides a good framework. Putting all unused money in one place allows us to serve students without additional general fund support. As a recruiting tool, the scholarship and the conditional loan will be successful.

Testimony Against: None.

Testified: Rep. Timm Ormsby, prime sponsor; Bruce Botka, HECB; Loretta Seppanen, SBCTC.