S-4642.1

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**SUBSTITUTE SENATE BILL 6097**

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**State of Washington 64th Legislature 2016 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Ranker, Dammeier, Rolfes, Litzow, Billig, Hargrove, Nelson, McAuliffe, and Conway)

AN ACT Relating to modifying the future teachers conditional scholarship and loan repayment program to increase the number of early elementary teachers; amending RCW 28B.102.010, 28B.102.030, 28B.102.040, 28B.102.050, 28B.102.055, 28B.102.060, and 28B.102.080; adding a new section to chapter 28B.102 RCW; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 28B.102.010 and 2004 c 58 s 1 are each amended to read as follows:

The legislature finds that encouraging outstanding students to enter the teaching profession as early elementary teachers is of paramount importance to the state of Washington as the state implements the K-3 class size enhancements that were adopted by the legislature in Substitute House Bill No. 2776, chapter 236, Laws of 2010. By ((~~creating~~)) modifying the future teachers conditional scholarship and loan repayment program, the legislature intends to assist in the effort to recruit as future K-3 teachers individuals who have distinguished themselves through outstanding academic achievement or demonstrated their commitment to teaching through work as a paraprofessional in the public school system, and who can act as role models for children. The legislature urges business, industry, and philanthropic community organizations to join with state government in making this program successful. While the legislature intends for this program to assist school districts to have a sufficient pool of competent and qualified early elementary teacher applicants to implement the required basic education K-3 class size reduction, the legislature does not intend to include this program within the state's obligation for basic education funding under Article IX of the state Constitution.

**Sec.**  RCW 28B.102.030 and 2012 c 229 s 563 are each amended to read as follows:

The future teachers conditional scholarship and loan repayment program is ((~~established~~)) modified to increase the number of early elementary teachers in Washington teaching in a classroom in any of the grades kindergarten through three. The program shall be administered by the student achievement council. In administering the program, the council shall have the following powers and duties:

(1) Select students to receive conditional scholarships or loan repayments as provided in RCW 28B.102.040;

(2) Adopt necessary rules and guidelines;

(3) Publicize the program;

(4) Collect and manage repayments from students who do not meet their teaching obligations under this chapter; and

(5) Solicit and accept grants and donations from public and private sources for the program.

**Sec.**  RCW 28B.102.040 and 2011 1st sp.s. c 11 s 178 are each amended to read as follows:

(1) The ((~~office may~~)) student achievement council, in cooperation with the professional educator standards board, shall select participants based on an application process conducted by the office ((~~or the office may utilize selection processes for similar students in cooperation with the professional educator standards board or the office of the superintendent of public instruction~~)).

(2) ((~~If the office selects participants for the program, it shall establish~~)) A selection committee for screening and selecting recipients of the conditional scholarships shall be established by the student achievement council, in cooperation with the professional educator standards board. The criteria shall emphasize factors demonstrating excellence including but not limited to superior scholastic achievement, leadership ability, community contributions, bilingual ability, willingness to commit to providing teaching service in ((~~shortage areas~~)) any of the grades kindergarten through three, and an ability to act as a role model for students. ((~~Priority will be given to individuals seeking certification or an additional endorsement in math, science, technology education, agricultural education, business and marketing education, family and consumer science education, or special education.~~))

**Sec.**  RCW 28B.102.050 and 2011 1st sp.s. c 11 s 179 are each amended to read as follows:

The office may award conditional scholarships or provide loan repayments to eligible participants from the funds appropriated to the office for this purpose, or from any private donations, or any other funds given to the office for this program. The amount of the conditional scholarship or loan repayment awarded an individual shall not exceed the amount of tuition and fees at the institution of higher education attended by the participant or resident undergraduate tuition and fees at the University of Washington per academic year for a full-time student, whichever is lower. Participants are eligible to receive conditional scholarships or loan repayments for a maximum of ((~~five~~)) four years.

**Sec.**  RCW 28B.102.055 and 2011 1st sp.s. c 11 s 180 are each amended to read as follows:

(1) Upon documentation of federal student loan indebtedness, the office may enter into agreements with participants to repay ((~~all or part of~~)) a federal student loan in exchange for teaching service in ((~~an approved educational program~~)) a public school in Washington in any of the grades kindergarten through three. The ratio of loan repayment to years of teaching service for the loan repayment program shall be the same as established for the conditional scholarship program.

(2) The agreement shall specify the period of time it is in effect and detail the obligations of the office and the participant, including the amount to be paid to the participant. ((~~The agreement may also specify the geographic location and subject matter area of teaching service for which loan repayment will be provided.~~))

(3) At the end of each school year, a participant under this section shall provide evidence to the office that the requisite teaching service has been provided. Upon receipt of the evidence, the office shall pay the participant the agreed-upon amount for one year of full-time teaching service or a prorated amount for less than full-time teaching service. To qualify for additional loan repayments, the participant must be engaged in continuous teaching service as defined by the office.

(4) The office may, at its discretion, arrange to make the loan repayment directly to the holder of the participant's federal student loan.

(5) The office's obligations to a participant under this section shall cease when:

(a) The terms of the agreement have been fulfilled;

(b) The participant fails to maintain continuous teaching service as determined by the office; or

(c) All of the participant's federal student loans have been repaid.

(6) The office shall adopt rules governing loan repayments, including approved leaves of absence from continuous teaching service and other deferments as may be necessary.

**Sec.**  RCW 28B.102.060 and 2011 1st sp.s. c 11 s 181 are each amended to read as follows:

(1) Participants in the conditional scholarship program incur an obligation to repay the conditional scholarship, with interest and an equalization fee, unless they teach ((~~for two years~~)) in ((~~an approved education program~~)) a public school in Washington in any of the grades kindergarten through three for each year of scholarship received, under rules adopted by the office. ((~~Participants who teach in a designated teacher shortage area shall have one year of loan canceled for each year they teach in the shortage area.~~))

(2) The interest rate shall be determined by the office. Participants who fail to complete the teaching service shall incur an equalization fee based on the remaining unforgiven balance of the loan. The equalization fee shall be added to the remaining balance and repaid by the participant.

(3) The minimum payment shall be set by the office. The maximum period for repayment shall be ten years, with payments of principal and interest commencing six months from the date the participant completes or discontinues the course of study. The interest rate shall be determined by the office and be established by rule. Provisions for deferral of payment shall be determined by the office. The office shall establish an appeal process by rule.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant teaches in ((~~an approved education program~~)) a public school in Washington in any of the grades kindergarten through three until the entire repayment obligation is satisfied. Should the participant cease to teach in ((~~an approved education program in this state~~)) a public school in Washington in any of the grades kindergarten through three before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The office is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to insure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary. The office is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the office as administrator is entitled, which are paid by or on behalf of participants under this section, shall be deposited in the future teachers conditional scholarship account and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The office shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The office shall adopt rules to define the terms of repayment, including applicable interest rates, fees, and deferments.

**Sec.**  RCW 28B.102.080 and 2011 1st sp.s. c 11 s 182 are each amended to read as follows:

(1) The future teachers conditional scholarship account is created in the custody of the state treasurer. An appropriation is not required for expenditures of funds from the account. The account is not subject to allotment procedures under chapter 43.88 RCW except for moneys used for program administration.

(2) The office shall deposit in the account all moneys received for the future teachers conditional scholarship and loan repayment program and for conditional loan programs under chapter 28A.660 RCW. The account shall be self-sustaining and consist of funds appropriated by the legislature for the future teachers conditional scholarship and loan repayment program, private contributions to the program, receipts from participant repayments from the future teachers conditional scholarship and loan repayment program, and conditional loan programs established under chapter 28A.660 RCW. ((~~Beginning July 1, 2004,~~)) The office shall also deposit into the account: (a) All funds from the institution of higher education loan account that are traceable to any conditional scholarship program for teachers or prospective teachers established by the legislature before June 10, 2004; and (b) all amounts repaid by individuals under any such program.

(3) Expenditures from the account may be used solely for conditional loans and loan repayments to participants in the future teachers conditional scholarship and loan repayment program established by this chapter, conditional scholarships for participants in programs established in chapter 28A.660 RCW, and costs associated with program administration by the office.

(4) Disbursements from the account may be made only on the authorization of the office.

((~~(5) During the 2009-2011 fiscal biennium, the legislature may transfer from the future teachers conditional scholarship account to the state general fund such amounts as reflect the excess fund balance of the account.~~))

NEW SECTION. **Sec.**  A new section is added to chapter 28B.102 RCW to read as follows:

(1) This section is the state spending performance statement for the expansion of the future teachers conditional scholarship and loan repayment program provided in this chapter. This performance statement is intended only to be used for subsequent evaluation of the expansion of this program for expanded scholarships and loan repayments provided for kindergarten through third grade teachers. It is not intended to create a private right of action by any party or be used to determine eligibility for the services provided by the program.

(2) It is the legislature's specific public policy objective to increase in-state production of certificated teachers in early elementary education at the state's institutions of higher education. By expanding the future teachers conditional scholarship and loan repayment program for early elementary teachers, the legislature intends to achieve the following outcomes:

(a) Increase statewide early elementary teachers in grades kindergarten through third;

(b) Increase applications for the future teachers conditional scholarship and loan repayment program for early elementary education certifications;

(c) Attract candidates who are successfully employed in the education field for more than five years; and

(d) Determine which state-funded teacher preparation scholarship program, the alternative route conditional scholarship or the future teachers scholarship, provided the most successful teacher applicants.

(3) If a review by the joint legislative audit and review committee finds that the multiple outcomes identified in subsection (2) of this section have been achieved, then the legislature intends to extend the expiration of the expansion of the early elementary education endorsement in the future teachers conditional scholarship and loan repayment program.

(4) In order for the joint legislative audit and review committee to obtain the data necessary to review the performance of the scholarships provided in chapter . . ., Laws of 2016 (this act), the joint legislative audit and review committee may require the student achievement council to collect and quantify the information and data required for the joint legislative audit and review committee. The joint legislative audit and review committee may also survey recipients of the scholarships and school districts.

(5) No later than January 1, 2026, the joint legislative audit and review committee must review the program expanded by chapter . . ., Laws of 2016 (this act), determine its effectiveness, and provide a recommendation to the fiscal committees of the legislature as to whether the program should be continued without modification, modified, scheduled for sunset review at a future date, or terminated immediately. If the committee determines that the program does not achieve any of the outcomes specified in subsection (2) of this section, the committee shall recommend termination of the expanded endorsements provided. The committee may recommend accountability standards for the future review of the spending program.

NEW SECTION. **Sec.**  This act expires July 1, 2026.

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