

# HOUSE BILL REPORT

## HB 2708

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### As Reported by House Committee On:

Higher Education  
Appropriations

**Title:** An act relating to conditional scholarships for prospective teachers.

**Brief Description:** Creating conditional scholarships for prospective teachers.

**Sponsors:** Representatives Ormsby, Kenney, Cox, Fromhold, Moeller, Dickerson, Chase, Lantz, Morrell, Wood, Hudgins and Kagi.

### Brief History:

#### Committee Activity:

Higher Education: 1/30/04, 2/4/04 [DPS];  
Appropriations: 2/6/04, 2/9/04 [DPS(HE)].

#### Brief Summary of Substitute Bill

- Amends a current teacher conditional scholarship program to include a priority for potential teachers in math, science, technology, or special education. Other criteria include bilingual ability and willingness to teach in shortage areas.
- Establishes a loan repayment option where federal student loans may be repaid in exchange for teaching service.
- Creates the future teachers conditional scholarship account.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Kenney, Chair; Fromhold, Vice Chair; Cox, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Boldt, Chase, Condotta, Jarrett, McCoy, Morrell and Ormsby.

**Staff:** Barbara McLain (786-7383).

### 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.

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### **Summary of Substitute Bill:**

Current laws pertaining to a future teachers conditional scholarship administered by the 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 the 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 the HECB. In addition to convening a separate selection committee, the 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 the HECB is authorized to adopt rules on these topics.

A conditional loan repayment program is created. The 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. The 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.

**Substitute Bill Compared to Original Bill:**

Rather than create a new set of statutes for a conditional teacher scholarship, existing laws for a program are amended. In addition to convening a separate selection committee, the HECB may use selection processes for similar students in cooperation with the Professional Educator Standards Board or OSPI. Recipients who fail to meet the teaching service obligation must pay an equalization fee. A conditional loan repayment program is created where the HECB can agree to repay federal student loans a student has incurred in exchange for teaching service. 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 also created, to be used for any new funds for the program and repayments from previous conditional scholarship programs.

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**Appropriation:** None.

**Fiscal Note:** New fiscal note requested on February 5, 2004.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The key to student success is a great teacher, and the state should always be looking for effective ways to help public schools recruit great teachers. Many communities need teachers with bilingual ability to interact with both students and their families. The work that has been done to ease transfer for community college students wanting to becoming math and science teachers will be supported by this incentive. The concept of conditional scholarships for teachers is a very important one, but this is the fifth proposal created in the last 20 years, each with slightly different administrative expectations. Rather than create a new program, perhaps there could be amendments and updates to the existing one that would streamline administration.

**Testimony Against:** None.

**Persons Testifying:** (In support) Representative Ormsby, prime sponsor; Loretta Seppanen, State Board for Community and Technical Colleges; Antonio Ginatta, Commission on Hispanic Affairs; and Bruce Botka, Higher Education Coordinating Board.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Higher Education be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Anderson, Boldt, Buck, Chandler, Clements, Cody, Conway, Cox, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Ruderman, Schual-Berke, Sump and Talcott.

**Staff:** Susan Howson (786-7142).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** It is important for the state to continue to recruit quality teachers and identify hard to recruit areas. The conditional scholarship is intended primarily to recruit individuals into the teaching profession, while the loan repayment program is designed to retain people who have already made a commitment to teaching. The addition of a loan repayment option is a nice complement to the program. The Higher Education Coordinating Board will not have to write new rules, procedures, and policies each time there is a new attempt by the Legislature to designate a priority in a particular area for teacher training.

**Testimony Against:** None.

**Persons Testifying:** Representative Ormsby, prime sponsor; and Bruce Botka, Higher

Education Coordinating Board.

**Persons Signed In To Testify But Not Testifying:** None.