

1 AN ACT concerning education.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the
5 Loan Assumption for Teachers Act.

6 Section 5. Legislative findings, declarations, and
7 intent.

8 (a) The General Assembly finds and declares all of the
9 following:

10 (1) There is a growing shortage of high-quality
11 classroom teachers, and there is a need for qualified
12 teachers throughout this State.

13 (2) One of the most important elements in a pupil's
14 success at learning is the quality of the teacher.

15 (3) The teacher shortage is most serious in
16 particular subject areas, partly due to the shortage of
17 students in these fields who enter the teaching
18 profession.

19 (4) Many school districts have difficulty
20 recruiting and retaining high-quality teachers for
21 low-performing schools, for pupils with special needs,
22 and for schools serving rural areas or large populations
23 of pupils from low-income and linguistic minority
24 families.

25 (5) The rising costs of higher education, coupled
26 with a shift in available financial aid from scholarships
27 and grants to loans, make loan repayment options an
28 important consideration in a student's decision to pursue
29 a postsecondary education.

30 (6) The availability of financial aid and loan
31 repayment assistance are important considerations for

1 many students, especially economically disadvantaged
2 students, in making their educational decisions.

3 (b) It is, therefore, the intent of the General
4 Assembly that all of the following occur:

5 (1) That the loan assumption for teachers program
6 authorized under this Act be designed to encourage
7 persons to enter into the teaching profession in
8 designated subject matter shortage areas and in schools
9 serving large populations of pupils from low-income
10 families and schools serving rural areas.

11 (2) That this Act accomplish all of the following:

12 (A) Provide outstanding postsecondary
13 education students, particularly economically
14 disadvantaged students, with the assurance of
15 financial assistance to encourage them to complete
16 postsecondary education programs leading to teacher
17 certification and to seek employment as teachers.

18 (B) Provide persons who agree to become
19 teachers in a subject matter shortage area with the
20 assurance of financial assistance to encourage them
21 to complete the coursework necessary to obtain a
22 teaching certificate.

23 (C) Identify subject matter areas or schools
24 in which there are shortages of teachers and provide
25 incentives for persons to obtain teacher
26 certification and seek teaching positions in those
27 areas.

28 (D) Identify schools serving rural areas and
29 schools serving large populations of students from
30 low-income families and provide incentives for
31 persons to obtain teacher certification and seek
32 teaching positions in those schools.

33 (E) Identify low-performing schools and
34 provide incentives for persons to obtain teacher

1 certification and seek teaching positions in those
2 schools.

3 (3) That commencing with the 2004-2005 school year,
4 all persons eligible to enter into agreements for loan
5 assumption pursuant to this Act shall be persons who need
6 to complete training or coursework in order to be
7 certified as a teacher and who agree to obtain a teaching
8 certificate and teach in a designated subject matter
9 shortage area or in a school that, at the time that the
10 teacher is hired, meets any of the following criteria:

11 (A) Serves a large population of pupils from
12 low-income families.

13 (B) Is a low-performing school.

14 (4) That funding necessary for the administration
15 of this Act shall be included within the annual budget of
16 the Commission in an amount necessary to meet the student
17 loan obligations incurred by the Commission.

18 Section 10. Definitions. In this Act:

19 "Commission" means the Illinois Student Assistance
20 Commission.

21 "Eligible institution" means a postsecondary education
22 institution in this State that is determined by the
23 Commission to meet all of the following requirements:

24 (1) The institution is eligible to participate in
25 State and federal financial aid programs.

26 (2) The institution is a recognized teacher
27 training institution, as defined in Section 21-21 of the
28 School Code, operating a program of preparation for
29 teacher certification.

30 "Low-performing school" means a school on the State Board
31 of Education's academic watch list under Section 2-3.25d of
32 the School Code at the time that the teacher is hired.

1 Section 15. Eligibility for loan assumption.

2 (a) Any person enrolled in an eligible institution is
3 eligible to enter into an agreement for loan assumption, to
4 be redeemed pursuant to Section 25 of this Act upon becoming
5 employed as a teacher, if he or she meets the requirements
6 set forth in this Section. In order to be eligible to enter
7 into an agreement for loan assumption, an applicant must
8 satisfy all of the following conditions:

9 (1) The applicant (i) has completed at least 60
10 semester units or the equivalent at a postsecondary
11 education institution and (ii) is enrolled in an academic
12 program leading to a baccalaureate degree at an eligible
13 institution or has been admitted to a program of
14 preparation for teacher certification at an eligible
15 institution.

16 (2) The applicant is enrolled or has been admitted
17 to a program in which he or she will be enrolled on at
18 least a half-time basis, as determined by the
19 participating eligible institution. The applicant shall
20 agree to maintain satisfactory academic progress and a
21 minimum of half-time enrollment, as defined by the
22 participating eligible institution.

23 (3) The applicant has been judged by his or her
24 eligible institution to have outstanding ability on the
25 basis of criteria that may include without limitation any
26 of the following:

- 27 (A) Grade point average.
- 28 (B) Test scores.
- 29 (C) Faculty evaluations.
- 30 (D) Interviews.
- 31 (E) Other recommendations.

32 (4) The applicant has received or is approved to
33 receive a loan under one or more of the following
34 designated loan programs:

1 (A) The Federal Family Education Loan Program
2 (20 U.S.C. 1071 and following).

3 (B) Any loan program approved by the
4 Commission.

5 (5) The applicant has agreed to teach full time in
6 a public elementary or secondary school in this State for
7 at least 4 consecutive school years after obtaining a
8 teaching certificate (i) in a subject area that is
9 designated as a current or projected shortage area by the
10 State Superintendent of Education or (ii) at a school
11 that, at the time that the teacher is hired, meets any of
12 the following criteria:

13 (A) It serves a large population of pupils
14 from low-income families, as designated by the State
15 Superintendent of Education.

16 (B) It is a low-performing school.

17 (b) An applicant who has completed fewer than 60
18 semester units or the equivalent at a postsecondary education
19 institution is not eligible under this Section to participate
20 in the loan assumption program set forth in this Act.

21 (c) The agreements entered into each year pursuant to
22 subsection (a) of this Section at each eligible institution
23 or participating school district or regional office of
24 education must be with applicants who meet the criteria
25 specified in paragraph (3) of subsection (b) of Section 5 of
26 this Act or agree to teach in any of the subject areas listed
27 pursuant to Section 5 of this Act. An agreement shall remain
28 valid even if the subject area under which an applicant
29 becomes eligible to enter into an agreement ceases to be a
30 designated shortage field by the time the applicant becomes a
31 teacher.

32 (d) A person participating in the loan assumption
33 program pursuant to this Section shall not enter into more
34 than one agreement.

1 Section 20. Lists furnished by State Superintendent.
2 The State Superintendent of Education shall furnish the
3 Commission with all of the following:

4 (1) Commencing January 1, 2005 and every January 1
5 thereafter, a list of teaching fields that have the most
6 critical shortage of teachers. The State Superintendent
7 of Education shall review this list annually and revise
8 the list as he or she deems necessary.

9 (2) A list of schools that serve a large population
10 of pupils from low-income families, as designated for
11 purposes of the Perkins Loan Program or according to
12 standards the State Superintendent of Education deems
13 appropriate.

14 (3) Commencing January 1, 2005 and every January 1
15 thereafter, a list of schools serving rural areas. The
16 list shall be established according to standards deemed
17 appropriate by the State Superintendent of Education.

18 (4) Commencing January 1, 2005 and every January 1
19 thereafter, a list of low-performing schools.

20 Section 25. When payments commence. The Commission
21 shall commence loan assumption payments, as specified in
22 Section 30 of this Act, upon verification that the applicant
23 has fulfilled all of the following:

24 (1) The applicant has received a teaching
25 certificate.

26 (2) The applicant has provided full-time classroom
27 instruction in a public elementary or secondary school in
28 this State for the equivalent of one school year.

29 (3) The applicant has met the requirements of the
30 loan assumption agreement and all other pertinent
31 conditions of this Act.

32 Section 30. Terms of loan assumption. The terms of a

1 loan assumption granted under this Act shall be as follows,
2 subject to the specific terms of each loan assumption
3 agreement:

4 (1) After a program participant has completed one
5 school year of full-time classroom instruction in a
6 public elementary or secondary school in this State, the
7 Commission shall assume up to \$2,000 of the participant's
8 outstanding liability under one or more of the designated
9 loan programs.

10 (2) After a program participant has completed 2
11 consecutive school years of full-time classroom
12 instruction in a public elementary or secondary school in
13 this State, the Commission shall assume up to an
14 additional \$3,000 of the participant's outstanding
15 liability under one or more of the designated loan
16 programs, for a total loan assumption of up to \$5,000.

17 (3) After a program participant has completed 3
18 consecutive school years of full-time classroom
19 instruction in a public elementary or secondary school in
20 this State, the Commission shall assume up to a maximum
21 of an additional \$3,000 of the participant's outstanding
22 liability under one or more of the designated loan
23 programs, for a total loan assumption of up to \$8,000.

24 (4) After a program participant has completed 4
25 consecutive school years of full-time classroom
26 instruction in a public elementary or secondary school in
27 this State, the Commission shall assume up to a maximum
28 of an additional \$3,000 of the participant's outstanding
29 liability under one or more of the designated loan
30 programs, for a total loan assumption of up to \$11,000.

31 Section 35. Out-of-state teachers. Notwithstanding
32 paragraph (3) of subsection (b) of Section 5 of this Act and
33 notwithstanding Section 45 of this Act, for the purpose of

1 the recruitment of teachers from outside this State, the
2 Commission may make loan assumption agreements with
3 out-of-state teachers who fulfill the terms of Section 30 of
4 this Act and are otherwise eligible to enter into agreements.
5 A teacher who enters into an agreement pursuant to this
6 Section shall hold a valid teaching certificate, in the
7 subject area of the Illinois teaching position, from the
8 state in which he or she resides.

9 Section 40. Other loan assumption benefits. In addition
10 to the amounts set forth in Section 30 of this Act, for each
11 of the 4 school years of classroom instruction referenced in
12 Section 30 of this Act, the following loan assumption
13 benefits shall be granted:

14 (1) \$1,000 of additional liability per year shall
15 be assumed for a person who holds a certificate
16 appropriate for teaching and who teaches mathematics,
17 science, or special education.

18 (2) \$1,000 of additional liability per year shall
19 be assumed for a person who teaches in a school in the
20 lowest 20th percentile of low-performing schools.
21 Eligibility for the benefit set forth in this paragraph
22 (2) shall be limited to a person who holds a certificate
23 appropriate for teaching and who teaches mathematics,
24 science, or special education.

25 (3) Not more than a total of \$5,000,000 shall be
26 expended in any school year for the purposes of this
27 Section.

28 Section 45. Distribution of program information. The
29 Commission shall distribute loan assumption program
30 information and student applications to participate in the
31 loan assumption program authorized under this Act to each
32 eligible institution and to each school district and regional

1 office of education. Each eligible institution shall receive
2 at least one application, and the remainder shall be
3 distributed to eligible institutions proportionate to the
4 number of teaching candidates from each institution who
5 completed the coursework required for a teaching certificate
6 during the previous year. In addition, the Commission shall
7 examine its outreach and marketing strategies to inform both
8 potential undergraduates and persons employed outside of
9 academia about the availability and benefits of the loan
10 assumption program. To this end, the Commission shall enlist
11 the advice and support of the public universities in this
12 State.

13 Section 50. Institutional agreement. Each eligible
14 institution, school district, and regional office of
15 education shall sign an institutional agreement with the
16 Commission, certifying its intent to administer the loan
17 assumption program authorized under this Act according to all
18 applicable published rules and guidelines and to make special
19 efforts to notify persons regarding the availability of the
20 program, particularly economically disadvantaged students at
21 eligible institutions.

22 Section 55. Coordination with other programs. To the
23 extent feasible, each eligible institution shall coordinate
24 the loan assumption program authorized under this Act with
25 other programs designed to recruit students to enter the
26 teaching profession.

27 Section 60. Administration; rules.

28 (a) The Commission shall administer this Act and shall
29 adopt rules for that purpose. The rules shall include
30 without limitation provisions regarding the period of time
31 during which an agreement shall remain valid, the

1 reallocation of resources in light of agreements that are not
2 utilized by program participants, the failure, for any
3 reason, of a program participant to complete a minimum of 4
4 consecutive school years of classroom instruction, and the
5 development of projections for funding purposes.

6 (b) The Commission shall solicit the advice of
7 representatives from postsecondary education institutions,
8 the State Board of Education, the State Teacher Certification
9 Board, school districts, and regional offices of education
10 regarding proposed rules.

11 Section 65. Annual report. The Commission shall report
12 annually to the General Assembly regarding all of the
13 following, on the basis of sex, age, and ethnicity:

14 (1) The total number of loan assumption program
15 participants.

16 (2) The number of loan assumption agreements
17 entered into with juniors and seniors at eligible
18 institutions.

19 (3) The number of participants who agree to teach
20 in a subject matter shortage area.

21 (4) The number of participants who agree to teach
22 in schools with a high ratio of pupils from low-income
23 families and in low-performing schools.

24 (5) The number of participants who agree to teach
25 in schools serving rural areas.

26 (6) The number of participants who receive a loan
27 assumption benefit, classified by payment year.

28 (7) The number of out-of-state teachers who enter
29 into the agreements.

30 Section 70. Limits on loan assumption; priorities.

31 (a) For the 2004-2005 school year, the Commission shall
32 issue warrants for the assumption of up to 5,500 student

1 loans for program participants eligible under this Act.

2 (b) Commencing with the 2005-2006 school year and each
3 school year thereafter, all of the following apply:

4 (1) The Commission shall enter into agreements for
5 the assumption of up to 6,500 student loans for program
6 participants eligible under this Act.

7 (2) Notwithstanding the limitation of 6,500
8 warrants set forth in paragraph (1) of this subsection
9 (b), the Commission shall issue warrants in a quantity
10 determined by the Governor and the General Assembly
11 through appropriations for the assumption of student
12 loans under this Act.

13 (3) Priority for these loan assumption agreements
14 shall be given to applicants who are recipients of
15 federally subsidized loans or other need-based loans, as
16 determined by the Commission.

17 (4) Priority for these loan assumption agreements
18 shall be given to applicants who agree to obtain a
19 teaching certificate to teach in mathematics or science.

20 (c) The issuance of warrants under this Act in any
21 fiscal year shall be subject to appropriation.

22 Section 999. Effective date. This Act takes effect upon
23 becoming law.