## 2003 ASSEMBLY BILL 929

March 4, 2004 – Introduced by Representatives Kaufert, Bies, Olsen, Cullen, Gronemus, Hebl, Kestell, Krug, J. Lehman, M. Lehman, Lothian, Molepske, Musser, Ott, Owens, Pettis, Pocan, Schooff, Sinicki, Suder, Townsend, Underheim, Van Akkeren, Ward and Wieckert, cosponsored by Senators Harsdorf, Roessler, Breske, Carpenter, Coggs, Erpenbach, Hansen, Lassa, Moore, Plale, Risser, Robson and Wirch. Referred to Committee on Education.

AN ACT to create 20.235 (1) (dz), 20.235 (1) (gz) and 39.405 of the statutes;

relating to: creating a loan program for teachers employed by low-income school districts, granting rule-making authority, and making an appropriation.

## Analysis by the Legislative Reference Bureau

This bill creates a loan program, to be administered by the Higher Educational Aids Board (HEAB), to defray the educational costs of Wisconsin residents who are enrolled at least half-time in a degree-granting program that prepares them to be licensed as teachers. The maximum loan that a person may receive during any fiscal year is 50 percent of the cost of resident undergraduate tuition at the University of Wisconsin-Madison. A person may not receive a loan for more than four years. After a loan recipient has completed his or her degree program, HEAB must forgive 25 percent of the loan's principal and interest for the first school year, 25 percent of the loan's principal and interest for the second school year, and 50 percent of the loan's principal and interest for the third school year that the loan recipient is licensed and employed full-time as a teacher by a school district with a low-income pupil enrollment of 50 percent. If the loan recipient leaves employment voluntarily, with the result that he or she fails to work in such a school district for three school years, he or she must repay 50 percent of the amount forgiven.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **Section 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  $\mathbf{2}$ the following amounts for the purposes indicated: 3 2003-04 2004-05 4 Higher educational aids board 20.235 5 (1) STUDENT SUPPORT ACTIVITIES 6 (dz)Loan program for teachers GPR Α -0-600,000 7 **Section 2.** 20.235 (1) (dz) of the statutes is created to read: 8 20.235 (1) (dz) Loan program for teachers. The amounts in the schedule for the 9 loan program under s. 39.405. **Section 3.** 20.235 (1) (gz) of the statutes is created to read: 10 11 20.235 (1) (gz) Teacher loan repayments. All moneys received as loan 12 repayments under s. 39.405, for loans under s. 39.405. **Section 4.** 39.405 of the statutes is created to read: 13 14 **39.405 Loan program for teachers.** (1) (a) The board shall establish a loan program to defray the cost of tuition for residents of this state enrolled at least 15 16 half-time in a degree-granting program that prepares persons to be licensed as

teachers at an accredited institution of higher education in this state or in a

physically adjacent state, as defined in s. 175.46 (1) (d). To the extent possible, the

board shall give preference to persons who are likely to work in a school district,

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- located in this state, in which at least 50 percent of the pupils enrolled qualify for a free or reduced-price lunch under 42 USC 1758 (b).
  - (b) The board shall make loans under this section from the appropriations under s. 20.235 (1) (dz) and (gz). The maximum amount of a loan for a person during any fiscal year is equal to 50 percent of the academic fees charged a resident undergraduate at the University of Wisconsin–Madison during that academic year. No person may receive a loan for more than 4 fiscal years.
  - (2) (a) Except as provided in par. (b), after the recipient of a loan under sub. (1) has completed the degree program described in sub. (1), the board shall forgive 25 percent of the loan's principal and interest for the first school year, 25 percent of the loan's principal and interest for the 2nd school year, and 50 percent of the loan's principal and interest for the 3rd school year that the recipient is licensed and employed full-time as a teacher by a school district in which at least 50 percent of the pupils enrolled qualify for a free or reduced-price lunch under 42 USC 1758 (b). The board may forgive loans on a prorated basis for persons employed less than full-time.
  - (b) If the recipient of a loan under sub. (1) voluntarily leaves his or her employment, with the result that he or she is not employed as described under par. (a) for 3 school years, the recipient shall pay to the board 50 percent of the amount that has been forgiven under par. (a).
    - (3) The board shall promulgate rules to administer this section.

22 (END)