

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: S2/2/17
A Bill

SENATE BILL 27

5 By: Senator A. Clark
6 *By: Representative Gates*
7

For An Act To Be Entitled

9 AN ACT TO INCREASE THE NUMBER OF TEACHERS IN A
10 CRITICAL TEACHER SHORTAGE AREA; TO ESTABLISH THE
11 TEACHER CANDIDATE LOAN FORGIVENESS PROGRAM; AND FOR
12 OTHER PURPOSES.
13
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Subtitle

15 TO INCREASE THE NUMBER OF TEACHERS IN A
16 CRITICAL TEACHER SHORTAGE AREA; AND TO
17 ESTABLISH THE TEACHER CANDIDATE LOAN
18 FORGIVENESS PROGRAM.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an
25 additional subchapter to read as follows:

26 Subchapter 17 - Teacher Candidate Loan Forgiveness Program
27

28 6-81-1701. Establishment - Administration.

29 There is established a Teacher Candidate Loan Forgiveness Program to be
30 administered by the Department of Higher Education.
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32 6-81-1702. Eligibility - Loan amounts - Term.

33 (a) An individual is eligible for a loan under this subchapter to be
34 used for financing the individual's cost of attendance at an institution of
35 higher education if the individual:

36 (1) Is a lawful resident of the State of Arkansas;



1 (2) Has successfully completed his or her *sophomore* year at an
2 institution of higher education;

3 (3) Is enrolled in good standing at an institution of higher
4 education in this state as a full-time *junior or senior*, as determined by the
5 institution of higher education;

6 (4) Is majoring in a degree program that will lead to the
7 individual's becoming eligible for licensure as a teacher in a high-needs
8 subject area as identified by the Department of Education; and

9 (5) Has entered into a written agreement with the Department of
10 Higher Education to:

11 (A) Teach for five (5) consecutive years in a school or
12 school district located in a geographic area identified by the Department of
13 Education under § 6-15-403 as a critical teacher shortage area beginning
14 immediately upon obtaining licensure; and

15 (B) Repay each loan at an interest rate and on a schedule
16 as determined by the Department of Higher Education if the individual fails
17 to meet the requirements under this subchapter.

18 (b) If the amount of funds available for the *Teacher Candidate Loan*
19 *Forgiveness Program* is insufficient to award loans to all qualified
20 applicants under this subchapter, the Department of Higher Education shall
21 award the loans on a competitive basis as determined by the Department of
22 Higher Education.

23
24 6-81-1703. Loan amounts – Term – Renewal.

25 (a)(1) The loan amounts under this subchapter shall be the lesser of:

26 (A) Five thousand dollars (\$5,000) per academic year; or

27 (B) The total cost of attendance for an academic year at
28 the institution of higher education in which the individual is enrolled less
29 any other scholarships or grants received by the individual for that academic
30 year.

31 (2) The total amount of loans awarded to an individual under
32 this subchapter shall not exceed *ten thousand dollars (\$10,000)*.

33 (b) A loan made to an individual under this subchapter shall be:

34 (1) For one (1) academic year; and

35 (2) Renewable annually until the individual graduates from the
36 institution of higher education and receives a degree, if the individual:

1 (A) Continues to meet the eligibility requirements under §
2 6-81-1702; and

3 (B) Meets the satisfactory academic progress standards
4 required to receive other financial aid at the institution of higher
5 education where the individual is enrolled, as determined by the Department
6 of Higher Education in conjunction with the institution of higher education.

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8 6-81-1704. Loan contract – Forgiveness.

9 (a) An individual who receives a loan under this subchapter shall
10 execute a written loan contract with the Department of Higher Education for
11 the repayment of the loan as provided in this subchapter.

12 (b) A loan contract executed under subsection (a) of this section
13 shall provide that the total amount of the loans awarded to the individual
14 under this subchapter, plus accrued interest, shall be forgiven at the rate
15 of twenty percent (20%) per year for each year that the individual teaches in
16 a school or school district located in a geographic area identified by the
17 Department of Education under § 6-15-403 as a critical teacher shortage area.

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19 6-81-1705. Repayment – Deferment.

20 (a) An individual who receives a loan under this subchapter shall
21 immediately begin repayment of each loan the individual received, together
22 with interest as determined by the Department of Higher Education, if the
23 individual:

24 (1) Ceases to be enrolled in good standing at an institution of
25 higher education in this state, unless the individual has graduated and
26 received a degree;

27 (2) Does not obtain licensure as a teacher from the State Board
28 of Education within one (1) year of graduating and receiving a degree;

29 (3) Does not begin work as a licensed teacher in the academic
30 year immediately following becoming licensed;

31 (4) Does not teach in a school or school district located in a
32 geographic area identified by the Department of Education under § 6-15-403 as
33 a critical teacher shortage area in the individual's first year as a licensed
34 teacher; or

35 (5)(A) Does not teach in a school or school district located in
36 a geographic area identified by the Department of Education under § 6-15-403

1 as a critical teacher shortage area for five (5) consecutive years beginning
2 immediately upon obtaining licensure.

3 (B) The total amount of the loans awarded to an individual
4 that are subject to repayment under subdivision (a)(5)(A) of this section
5 shall be reduced on a pro rata basis as required under § 6-81-1704(b).

6 (b)(1) The Department of Higher Education may defer the requirements
7 under subdivisions (a)(3)-(5) of this section if the Department of Higher
8 Education, in consultation with the Department of Education, determines that
9 there was no employment position available that would reasonably enable the
10 individual to meet the requirements.

11 (2) After the period of deferral, the individual shall begin or
12 resume teaching in a school or school district located in a geographic area
13 identified by the Department of Education under § 6-15-403 as a critical
14 teacher shortage area or become subject to repayment under subsection (a) of
15 this section.

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17 6-81-1706. Rules.

18 The Department of Higher Education shall promulgate rules to implement
19 this subchapter.

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21 */s/A. Clark*
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24 **APPROVED: 03/27/2017**
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