

July 2004

Future Teachers Conditional Scholarship Program Proposed Rules

Board staff request permission to begin the formal rulemaking process to implement the revised Future Teachers Conditional Scholarship and Loan Repayment Program, as directed in House Bill 2708. Staff also ask the board to approve a limited set of emergency rules concerning student eligibility, selection, and payment so that the application and selection process can begin this summer. Drafts of the proposed rules and limited emergency rules are attached.

Background

Over the past 20 years, the legislature has authorized four different conditional scholarship programs for prospective teachers. Each of the programs offered student loans that were forgiven in exchange for teaching service. Each program targeted a slightly different audience. And, each program required separate eligibility and service requirements, separate administrative procedures and systems, and a commitment to tracking recipients for several years. Funding for the programs has been inconsistent.

Previous Conditional Scholarship Programs		
Program Name	RCW	Period of Funding
Conditional Scholarship for Alternative Route Teacher Certification*	28A.660	2001 – Ongoing
Future Teachers Conditional Scholarship for K-12 Public School Employees	Budget Provisos in 1999 and 2000	1999 – 2001
Future Teachers Conditional Scholarship	28B.102	1989 – 1996
Math/Science Teacher Conditional Loan	28B.15.760-766	1983 – 1989
*The Professional Educator Standards Board administers the Alternative Route Teacher Certification program. The HECB is the fiscal agent for the conditional scholarship portion of the program. In 2003-2004, the program received \$664,000 in state funding and served 83 students. The estimated funding for 2004-05 is \$984,000 for about 123 students. The program is offered at selected sites in Washington. For more information, visit www.hecb.wa.gov .		

The only Future Teacher program currently funded is the Alternative Route Teacher Certification program. The 2004 Legislature expressed interest in creating a fifth separate conditional scholarship program targeting prospective teachers with bilingual ability. Rather than creating a new program for this specific purpose, House Bill 2708 amended a previous future teacher

program in such a way that it could be a flexible vehicle for serving not only the kind of student anticipated by the original proposal, but also could be used to target other teacher shortage areas and audiences, as specified by future legislatures. In addition, it permits the board to spend about \$450,000 that has been collected over the years from students who were required to repay all or a portion of their awards from previous conditional scholarship programs.

Key Elements of the New Program

1. Students receive financial incentives to obtain their residency teaching certification or an endorsement in a teacher shortage area in exchange for providing a certain number of years of teaching service.
2. The financial incentives are in the form of conditional loans or loan repayments. Conditional loans are monies given to the student while he or she is in college that are forgiven in exchange for teaching service. For students with existing federal student loans, the board can commit to repaying some portion of those loans in exchange for teaching service.
3. The value of the conditional scholarship or loan repayment is equal to the value of the participant's tuition and fees, not to exceed the value of tuition and fees at the University of Washington.
4. Students must be attending a Washington public or private college.
5. Participants must provide teaching service in a Washington public K-12 school or in a program supported primarily by public funding.
6. The basic service obligation is two years of teaching for every one year of benefits. Teaching in subject or geographic shortage areas is encouraged by reducing the obligation to one year of teaching service for each year of benefits. The Office of the Superintendent of Public Instruction annually determines the shortage areas.
7. In selecting students, the board is to emphasize factors such as superior academic achievement, bilingual ability, and a commitment to teaching in a shortage area. Priority is given to individuals seeking certification in math, science, or special education. For the 2004-2005 academic year, the statute requires that an additional priority be given to bilingual applicants.
8. Participants who are selected in part because of their bilingual ability or their willingness to teach in a shortage area will be required to serve in a classroom needing a bilingual teacher or in a shortage area, in order to receive loan forgiveness or loan repayment benefits.
9. All participants are required to have on file their "education plans" detailing when they expect to finish their academic coursework and receive their residency certificates or additional endorsements. Participants also are required to have "teaching plans" detailing when they will provide their teaching service.

10. The board may issue deferments, forbearance, and leaves-of-absence for participants who encounter unusual situations that delay or defer their ability to fulfill their education or teaching plans. The board may cancel its commitment to provide benefits if the participant fails to abide by the approved education or teaching plan.
11. Conditional scholarship recipients who fail to provide the teaching service are required to repay their loans with interest and fees. An equalization fee is added to the loan to equate the amount repaid with the amount the student would repay if he or she had borrowed through the federal student loan program. The interest rate is equal to the rate charged for federal student loans. The minimum payment is \$50 per month. The entire loan must be repaid within 10 years.
12. All funds repaid by participants from any teacher conditional loan program, plus appropriations and private contributions, are deposited into a Future Teachers Conditional Scholarship Account. Funds in the account may be used only for conditional scholarships, loan repayments, and costs associated with program administration.

Rulemaking Process

Staff have worked since the end of the legislative session to craft procedures and rules. They have delivered drafts of the rules to individuals and organizations that have expressed interest in the program. In addition, a small group of interested parties met with board staff to review and provide guidance on the development of rules. Parties who have received and had an opportunity to comment on the drafts include:

- 17 colleges of education at the four-year public and private institutions in Washington
- Office of the Superintendent of Public Instruction
- Professional Educator Standards Board
- State Board for Community and Technical Colleges
- Governor's Commission on Hispanic Affairs
- Governor's Commission on Asian Pacific American Affairs
- Ricardo Sanchez, Executive Director, The Latino Educational Achievement Project
- Ricardo Espinoza, Pasco School Board
- Key legislators and legislative staff
- Office of Financial Management

With the board's approval, staff will file the paperwork necessary to begin the rule-making process. A formal public hearing will be scheduled for early September. Approval of the permanent rules will be scheduled for the board's October 22, 2004 meeting.

Emergency Rules

Given the schedules of both the office of the Code Reviser and the board, final rules cannot be adopted before the October 22, 2004, HECB meeting. And, by law, the final rules will not go into effect until November 23, 2004.

Consequently, staff is asking the board to adopt a limited set of emergency rules on student eligibility, selection, and payment. Adopting these emergency rules will allow staff to complete the application process, make selections, and either provide conditional scholarships or commit to loan repayments. Other provisions concerning teaching service, loan forgiveness, loan repayments, and participant repayment can wait until the permanent rules are adopted.

Application, Selection, and Awarding Timeline

With the filing of emergency rules, staff will begin distributing applications in late July, with a tentative deadline of October 15, 2004. This date gives the colleges of education and other interested parties a chance to fully publicize this opportunity to qualified students and contact potential applicants. Staff will convene a selection committee in early November 2004, and mail award notices immediately thereafter.



STATE OF WASHINGTON
HIGHER EDUCATION COORDINATING BOARD

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RESOLUTION NO. 04-16

WHEREAS, The Higher Education Coordinating Board is directed by RCW 28B.102 to administer the Future Teachers Conditional Scholarship and Loan Repayment program; and

WHEREAS, The Higher Education Coordinating Board is authorized by RCW 28B.102.030 to adopt rules as necessary to implement the program; and

WHEREAS, The Legislature passed House Bill 2708 revising RCW 28B.102, which became law on June 10, 2004; and

WHEREAS, It is necessary to amend Chapter 250-65 WAC to implement this statutory change; and

WHEREAS, It is the Board's intention that students be awarded scholarships under the terms of RCW 28B.102 as amended for the 2004-2005 academic year;

THEREFORE BE IT RESOLVED, That the Higher Education Coordinating Board adopt emergency rules on student eligibility, selection, and payment, thereby allowing timely completion of the application process, student selection, and awarding of the conditional scholarships or commitment to loan repayment.

BE IT FURTHER RESOLVED, That the Higher Education Coordinating Board directs staff to proceed with the process required to adopt permanent rules at the Board's October 2004 meeting.

Adopted:

July 22, 2004

Attest:

Handwritten signature of Bob Craves in black ink.

Bob Craves, Chair

Handwritten signature of Gay Selby in black ink.

Gay Selby, Vice Chair