

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

*As Engrossed: S2/2/17*  
**A Bill**

SENATE BILL 27

By: Senator A. Clark  
*By: Representative Gates*

### **For An Act To Be Entitled**

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

### **Subtitle**

TO INCREASE THE NUMBER OF TEACHERS IN A  
CRITICAL TEACHER SHORTAGE AREA; AND TO  
ESTABLISH THE TEACHER CANDIDATE LOAN  
FORGIVENESS PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 6, Chapter 81, is amended to add an  
additional subchapter to read as follows:

Subchapter 17 - Teacher Candidate Loan Forgiveness Program

6-81-1701. Establishment - Administration.

There is established a Teacher Candidate Loan Forgiveness Program to be  
administered by the Department of Higher Education.

6-81-1702. Eligibility - Loan amounts - Term.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6-81-1704. Loan contract – Forgiveness.

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

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

6-81-1705. Repayment – Deferment.

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

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

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

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

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

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

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

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

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

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

6-81-1706. Rules.

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

*/s/A. Clark*