

Date of Hearing: April 2, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 843 (Rodriguez) – As Amended March 14, 2019

SUBJECT: Student financial aid: Assumption Program of Loans for Education.

SUMMARY: Authorizes the California Student Aid Commission (CSAC) to award 7,200 new warrants for the Assumption Program of Loans for Education (APLE). Specifically, **this bill:**

- 1) States the Legislature intends to restore the funding for APLE to its 2011-12 fiscal year level.
- 2) Authorizes CSAC, in the 2020-21 fiscal year, to award 7,200 new APLE warrants.
- 3) Appropriates \$5 million from the General Fund to CSAC for the funding of APLE warrants for the 2020-21 fiscal year.
- 4) Authorizes CSAC to provide an unspecified dollar amount of additional loan assumption benefits to individuals who hold a teaching credential, and who teach math, science, special education, bilingual education, or career technical education in school districts that are determined to be in need of differentiated assistance.
- 5) Specifies that no more than a total of \$5 million can be expended in any academic year for the purposes of (4) above.
- 6) Requires CSAC to award the additional loan assumption benefits, per (4) and (5) above, upon receipt of all documentation necessary to establish eligibility for the additional loan assumption benefits.
- 7) Requires that CSAC issue additional loan assumption payments, as described in (6) above, to applicants in the order received until the \$5 million has been expended.
- 8) Repeals the additional loan assumption benefits that rely on Academic Performance Index (API) rankings, including the requirement that an eligible school must rank in the lowest two API deciles and that \$1,000 of additional liability per year will be granted to individuals who teach math, science, or special education in schools in the lowest 60 percentile of the API.

EXISTING LAW:

- 1) Requires the county superintendent of schools, for any school district for which one or more pupil subgroups meets specified criteria and found to be in need of differentiated assistance, to provide technical assistance focused on building the school district's capacity to develop and implement actions and services responsive to pupil and community needs. (Education Code (EC) Section 52071).
- 2) Establishes CSAC as the primary state agency to administer state-authorized student financial aid programs available to eligible students attending all eligible segments of postsecondary education (Education Code Section 69510, et seq.).

- 3) Establishes the APLE program, administered by the CSAC, to provide loan assumption benefits to credentialed teachers; specifies that qualifying schools include those with high proportions of low-income youth or emergency permit teachers and those located in rural areas; and, requires the subject area shortages to annually be determined by the State Superintendent of Public Instruction (EC Section 69612, et seq.).
- 4) Forgives up to \$11,000 of college loan debt for a person who teaches for four consecutive years in a qualifying school or subject area (paying \$2,000 for the first year of teaching service and \$3,000 for each of the next three years of teaching); and, provides additional loan forgiveness of \$1,000 per year for up to four years for those who teach math, science or special education (for a total of \$15,000) and an additional \$1,000 for those who teach math, science or special education in schools with an Academic Performance Index of 1 or 2 (for a total of \$19,000) (EC Sections 69613.4 and 69613.8).
- 5) Prohibits CSAC from awarding a greater number of agreements than is authorized in the annual Budget Act (EC Section 69615.8).

FISCAL EFFECT: Unknown

COMMENTS: *Background.* According to a September 2018 report from the Learning Policy Institute (LPI), since 2014-15 California school districts have reported persistent teacher shortages especially in the fields of science, technology, engineering, and mathematics (STEM), special education, and bilingual education. LPI conducted a survey of California school districts in the fall of 2017 and found that 80% of school districts reported a shortage for the 2017-18 school year. Additionally, the survey found that 90% of the school districts shortages were just as alarming as the prior school year, or worse than the prior school year.

To note, as a way to backfill the loss of fully credentialed teachers, the state has drastically increased its teacher intern and emergency credentials, permits, and waivers.

Need for the measure. According to the author, over 40 states have implemented programs that seek to assist teachers with their loans; these programs have proven to assist school districts in recruiting and retaining teachers. The author states, “California does not have any loan assistance programs [for teachers]. By reinstating APLE, we are able to help future and current teachers”.

This measure authorizes CSAC to issue 7,200 new APLE warrants. Additionally, this measure authorizes CSAC to provide an unspecified dollar amount of additional loan assumption benefits to credentialed teachers who teach math, science, special education, bilingual education, or career technical education in school districts that are determined to be in need of differentiated assistance.

Assumption Program of Loans for Education (APLE). The APLE warrants are given to credential candidates; the warrants are then redeemed for the loan assumption benefit once the candidate has earned a credential and completed a year of eligible teaching. The program “forgives” up to \$11,000 of college loan debt for a person who teaches for four consecutive years in a qualifying school or subject area (paying \$2,000 for the first year of teaching service and \$3,000 for each of the next three years of teaching). Qualifying schools include those with high proportions of low-income youth or emergency permit teachers and those located in rural areas.

The 2012-13 Budget Act included language authorizing a total of 7,300 warrants for loan assumption, but the Governor line item vetoed said provision. This year's budget proposal does not include funding for new APLE warrants.

Committee Staff understands that over a decade ago the state spent over \$80 million on statewide teacher recruitment efforts; however, if APLE is fully phased out over the course of the next few years, the state will eventually spend zero dollars on efforts to increase the number of teachers in the state.

This measure seeks to reinstate APLE in order to help meet California's current teaching demands.

Committee comments. This measure seeks to reinstate and improve APLE in order to assist in meeting California's current teaching demands. It is presently unclear as to how this measure will be funded and implemented since the 2019-20 budget proposal does not include funding for new APLE warrants.

The author may wish to work with the Department of Finance and the Legislative Budget Committees in order to determine if funds can and will be appropriated to CSAC for the purpose of issuing new APLE warrants for loan assumption.

Related legislation. AB 1623 (Robert Rivas), also on today's committee agenda, establishes the Golden State Teacher Grant Program, subject to funding appropriated by the Legislature, in order to provide one-time grant funds of \$20,000 to each student enrolled on or after January 1, 2020, in a professional preparation program leading to a preliminary teaching credential, if the student commits to working in a high-need field for four years after the student receives the teaching credential.

REGISTERED SUPPORT / OPPOSITION:

Support

California Teachers Association (Co-Sponsor)
Public Advocates
Teach Plus
Torrance Unified School District

Opposition

None on file.

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