

HOUSE BILL NO. 2143

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Education

on _____)

(Patron Prior to Substitute--Delegate Guzman)

A BILL to amend the Code of Virginia by adding a section numbered 22.1-290.03 and to repeal § 22.1-290.01 of the Code of Virginia, relating to Department of Education; Teach for Virginia Loan Repayment Assistance Fund and Program established.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 22.1-290.03 as follows:

§ 22.1-290.03. Teach for Virginia Loan Repayment Assistance Fund and Program.

A. As used in this section:

"Eligible lender or loan holder" means any entity that makes a loan to an individual for the purpose of financing the undergraduate or graduate education of such individual or holds any such loan. "Eligible lender or loan holder" includes any bank, savings and loan association, credit union, institution of higher education, secondary market, governmental agency, or private foundation. "Eligible lender or loan holder" does not include any private individual.

"Eligible loan" means a loan to an eligible teacher for the purpose of financing the teacher's undergraduate or graduate education that is made or held by an eligible lender or loan holder and is evidenced by a promissory note, is not in default, is not subject to repayment or forgiveness assistance pursuant to another program, and, if consolidated with unrelated debt, the amount of which is able to be distinguished from such other debt. "Eligible loan" does not include any credit card, equity loan, or other similar personal loan product.

"Eligible teacher" means a teacher licensed by the Board who has an eligible loan made or held by an eligible lender or loan holder and who is currently employed by a local school division in the Commonwealth and who, for at least one year immediately preceding application for loan repayment

27 assistance pursuant to the Teach for Virginia Loan Repayment Assistance Program, has taught in a public
28 elementary or secondary school in the Commonwealth in a critical shortage area identified by the
29 Superintendent pursuant to subdivision 4 of § 22.1-23 or in a Title I-eligible public elementary or
30 secondary school in the Commonwealth.

31 B. There is hereby created in the state treasury a special nonreverting fund to be known as the
32 Teach for Virginia Loan Repayment Assistance Fund, referred to in this section as "the Fund." The Fund
33 shall be established on the books of the Comptroller. All funds appropriated for such purpose and any
34 gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury
35 and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited
36 to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall
37 not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for
38 the purposes of providing loan repayment assistance pursuant to the Teach for Virginia Loan Repayment
39 Assistance Program as set forth in subsection C. Expenditures and disbursements from the Fund shall be
40 made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the
41 Superintendent.

42 C. The Teach for Virginia Loan Repayment Assistance Program (the Program) is hereby
43 established for the purpose of recruiting and retaining teachers in communities and subject areas in which
44 they are needed the most by providing grants on a competitive basis to eligible teachers to assist with the
45 repayment of eligible loans made or held by eligible lenders or loan holders.

46 D. The Program shall be administered by the Department. The Department may establish such
47 rules, regulations, policies, and procedures for the Program as it deems appropriate, subject to the
48 following conditions and limitations:

49 1. Each grant shall be made to the grantee in a single annual disbursement in an amount not to
50 exceed \$2,500;

51 2. Each grant may be renewed annually for up to four additional years;

52 3. Grant renewals shall be given priority over first-time grant applications; and

53 4. Grant applications shall be ranked, in order of priority, according to the severity of the shortage
54 in the subject area in which the eligible teacher is employed, the demographic profile of the school in
55 which the eligible teacher is employed, and the financial need of the eligible teacher.

56 **2. That § 22.1-290.01 of the Code of Virginia is repealed.**

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