

JAN 28 2015

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# A BILL FOR AN ACT

RELATING TO EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 302A, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4           **"PART . TEACHING INCENTIVE PROGRAMS FOR HIGH NEED AREAS**

5           **§302A- Definitions.** As used in this part, unless the  
6 context otherwise requires:

7           "Approved course of study" means a course of study that  
8 leads to enrollment in a graduate education program.

9           "Approved educational institution" means a public or  
10 private post-secondary educational institution located in this  
11 State that has been accredited by a nationally recognized  
12 accrediting agency that is listed by the United States Secretary  
13 of Education.

14           "Department" means the department of education.

15           "High need area" means schools in hard-to-staff areas as  
16 determined by the department.



1 "Program" means the teaching incentive program established  
2 under this part.

3 "Qualified individual" means any individual who attends:

4 (1) A post-secondary educational institution located in  
5 this State leading to a master's degree or doctoral  
6 degree in education, who intends to teach in a public  
7 school in a high need area in the State, and who has  
8 been a resident of this State for the previous five  
9 years;

10 (2) A post-secondary educational institution located  
11 outside the State leading to a master's degree or  
12 doctoral degree in education, who intends to teach in  
13 a public school in a high need area in the State, and  
14 has maintained residency within the State for the  
15 previous five years; or

16 (3) A post-secondary educational institution located  
17 outside the State leading to a master's degree or  
18 doctoral degree in education, and who intends to teach  
19 in a public school in a high need area in the State,  
20 and whose parent maintained residency within the State  
21 for the previous five years.



1 "Work requirement" means teaching at a public school in a  
2 high need area located in the State after receiving a master's  
3 degree or doctoral degree in education.

4 **§302A- Teaching incentive program for high need areas;**  
5 **establishment, administration.** (a) There is established a  
6 program to be known as the teaching incentive program for high  
7 need areas to be placed within the department.

8 (b) Under the parameters of the program, the department  
9 may provide incentives to a qualified individual who is a  
10 resident of the State.

11 (c) To receive incentives under this part, a qualified  
12 individual shall meet all of the following requirements:

- 13 (1) Be working toward or have a master's degree or  
14 doctoral degree in education from an accredited  
15 college or university in the State;
- 16 (2) Maintenance of domicile in the State during the term  
17 of the incentives;
- 18 (3) Compliance with any conditions placed on the  
19 incentives by the department; and
- 20 (4) Enter into a written agreement with the department to:



1 (A) Satisfy all requirements and other requirements  
2 under this chapter; and

3 (B) Reimburse the State for all amounts received  
4 under this chapter and interest thereon, as  
5 determined by the department, if the teacher  
6 fails to comply with this part.

7 (d) A qualified individual applying for incentives under  
8 this program shall apply to the department and include all  
9 information and documentation required by the department. The  
10 application shall include a verified statement of employment  
11 from the appropriate school.

12 (e) If a qualified individual or school terminates  
13 employment or course of study during the academic year or prior  
14 to completion of the academic year, the qualified individual  
15 shall be ineligible for incentives as of the date of  
16 termination. The qualified individual shall become eligible for  
17 incentives upon employment at a public school in a high need  
18 area and meeting the criteria set forth in this part

19 (f) Incentives awarded under the program shall be limited  
20 to funds appropriated for that purpose or funds otherwise  
21 matched by external entities.



1           **§302A- Incentives.** (a) The incentive offered under the  
2 program created by this Act shall be a loan repayment program.

3           (b) Qualified individuals shall be eligible for the  
4 program to repay 10 per cent of outstanding student loans  
5 entered into by qualified individuals in pursuit of a bachelor's  
6 degree, master's degree, or doctoral degree from an approved  
7 educational institution for each year of service teaching in a  
8 high need area plus all interest accrued in that year.

9 Qualified individuals shall be eligible to receive the incentive  
10 for each year of service teaching in a high need area up to ten  
11 years.

12           (c) Individuals who do not meet the definition of  
13 "qualified individual", but possess a master's degree or  
14 doctoral degree in education and intend to teach in a public  
15 school in a high need area in Hawaii shall be eligible for the  
16 program to repay 5 per cent of outstanding student loans entered  
17 into by the individual in pursuit of a bachelor's degree,  
18 master's degree, or doctoral degree from an approved educational  
19 institution for each year of service teaching in a high need  
20 area, plus all interest accrued in that year. The individual



1 shall be eligible to receive the incentive for each year of  
2 service teaching in a high need area up to ten years.

3       **§302A- Program administration.** (a) The department  
4 shall monitor and verify an incentive recipient's fulfillment of  
5 all requirements under this part.

6       (b) The department may enter into a contract with a  
7 private or public entity to administer the program.

8       (c) The department shall enforce repayment of all  
9 incentives for an incentive recipient who does not comply with  
10 this part. Repayment shall include the use of all lawful  
11 collection procedures and the use of private collection  
12 agencies.

13       (d) Incentives received by an individual for the program  
14 shall not be considered taxable income under chapter 235.

15       (e) Any person who knowingly or intentionally procures,  
16 obtains, or aids another to procure or obtain an incentive under  
17 this part through fraudulent means shall be disqualified from  
18 participation in the program and shall be liable to the  
19 department for an amount equal to three times the amount  
20 obtained.



1           **§302A- Annual report.** (a) The department shall publish  
2 a report by September 1, 2016, and every year thereafter. The  
3 report shall include information regarding the operation of the  
4 program including:

- 5           (1) The total number of qualified individuals receiving  
6           incentives;
- 7           (2) The total number of individuals who do not meet the  
8           definition of "qualified individual", but receive  
9           incentives;
- 10          (3) The total amount of incentives awarded;
- 11          (4) The number of qualified individuals receiving  
12          incentives by the institution;
- 13          (5) The total number of qualified individuals who withdraw  
14          from the program; and
- 15          (6) The total number of individuals who do not meet the  
16          definition of "qualified individual", but received  
17          incentives, who withdraw from the program.

18          (b) The annual report shall be submitted to the governor  
19 and the legislature no later than twenty days prior to the  
20 convening of each regular session.



1           **§302A-      Scholarship grants; establishment.**   (a) The  
2 department may provide scholarship grants to an eligible student  
3 who is a resident of the State upon confirmation that the  
4 student has been accepted for enrollment in an approved graduate  
5 course of study in education. Scholarship grants shall only be  
6 for the amounts set forth in this part and shall only be used  
7 for tuition, books, laboratory fees, and any other required  
8 fees.

9           (b) To receive a scholarship grant under this part, a  
10 student shall meet all of the following requirements:

- 11           (1) Graduation from an accredited college or university  
12                 with a bachelor's degree;
- 13           (2) Maintenance of domicile in Hawaii during the term of  
14                 the scholarship grants;
- 15           (3) Compliance with any conditions placed on the  
16                 scholarship grant by the university;
- 17           (4) Maintenance of a grade point average of 3.0 or higher,  
18                 on a scale of 4.0 or its equivalent; and
- 19           (5) Enter into a written agreement with the university to:
  - 20                 (A) Satisfy all degree requirements and other  
21                         requirements under this part;





1           (B) Commence instruction in a high need area of the  
2           State within one year after completion of an  
3           approved graduate degree in education for a  
4           period of one year for each academic year the  
5           student received a scholarship grant under this  
6           part, unless the department determines that there  
7           are extenuating circumstances; and

8           (C) Reimburse the department for all amounts received  
9           under this part and interest thereon, as  
10          determined by the department, if the student  
11          fails to comply with this part.

12          A student applying for the scholarship shall apply to the  
13          department and provide the department with all the required  
14          information and documentation to receive the scholarship. The  
15          application shall include a verified statement of grade point  
16          average from the university. The teaching requirement under  
17          this section shall begin after the receipt of the master's or  
18          doctoral degree in education.

19          (c) If a student terminates enrollment in the approved  
20          graduate course of study during the academic year or prior to  
21          completion of the approved graduate course of study and is



1 eligible to have all or a portion of the tuition payments  
2 refunded under the refund policies of the institution, the  
3 approved educational institution shall notify the department in  
4 writing and shall return all unused portions of the scholarship  
5 grant. Returned amounts shall be used to fund other scholarship  
6 grants under this part. A scholarship under this part is only  
7 transferable to another approved educational institution if  
8 approved by the department. Scholarship grants awarded under  
9 this section shall be limited to funds appropriated for that  
10 purpose or funds otherwise matched by external entities. First  
11 priority for awarding grants shall be given to renewal  
12 applicants.

13 **§302A- Grant awards.** (a) The department may award a  
14 grant in an amount up to \$5,000 per academic year to a student  
15 enrolled full-time in an approved educational institution  
16 pursuing a graduate degree in education through an approved  
17 course of study.

18 The grant shall be for a maximum of three academic years  
19 for a master's degree or up to four academic years if the  
20 student is enrolled in a doctoral program approved course of  
21 study.



1           (b) The department shall monitor and verify a student's  
2 fulfillment of all requirements under this section, and may  
3 enter into a contract with a private or public entity to  
4 administer the program. The department shall enforce repayment  
5 of all grants for a student who does not comply with this  
6 section. Repayment shall include the use of all lawful  
7 collection procedures and the use of private collection  
8 agencies. Grants received by a student pursuant to this section  
9 shall not be considered taxable income under chapter 235, and  
10 shall not be considered financial assistance or appropriations  
11 to the approved educational institution.

12           (c) Any person who knowingly or intentionally procures,  
13 obtains, or aids another to procure or obtain a grant under this  
14 part through fraudulent means shall be disqualified from  
15 participation in the program and shall be liable to the  
16 department for an amount equal to three times the amount  
17 obtained.

18           **§302A- Annual reports.** The department shall publish  
19 reports by September 1, 2016, and every year thereafter, that  
20 shall include information regarding the operation of its  
21 respective programs including:



- 1 (1) The total number of students receiving scholarship
- 2 grants;
- 3 (2) The total amount of scholarship grants awarded;
- 4 (3). The number of full-time and part-time graduate
- 5 students receiving scholarship grants by the
- 6 institution;
- 7 (4) The amount of scholarship grants awarded to graduate
- 8 students reported by the institution; and
- 9 (5) The total number of graduation students who withdraw
- 10 from the program.

11 The annual report shall be submitted to the governor and  
12 the legislature no later than twenty days prior to the convening  
13 of each regular session."

14 SECTION 2. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2015-2016 and  
17 the same sum or so much thereof as may be necessary for fiscal  
18 year 2016-2017 to establish and implement the teaching incentive  
19 program for high need areas.

20 The sums appropriated shall be expended by the department  
21 of education for the purposes of this Act.



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2015-2016 and  
4 the same sum or so much thereof as may be necessary for fiscal  
5 year 2016-2017 to establish scholarship grants for students  
6 pursuing post-secondary degrees in the field of education.

7 The sums appropriated shall be expended by the department  
8 of education for the purposes of this Act.

9 SECTION 4. This Act shall take effect on July 1, 2015.

10

INTRODUCED BY: *Michelle Iudani*



# S.B. NO. 1056

**Report Title:**

Department of Education; Education; Teachers; Incentives; Loan Repayment

**Description:**

Establishes an incentive program that provides for incremental loan repayment for teachers serving in high need areas of Hawaii for up to ten years. Also establishes scholarship grants for students pursuing post-secondary degrees in the field of education through the department of education.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

