

To: Legislative Colleagues

From: Representatives Amy Loudenberg and Jason Fields
Senator Dale Kooyenga

Date: Friday, February 8, 2019

Re: Co-sponsorship of LRB-1376/1 and LRB-1794/1 relating to: the minority teacher loan program

Deadline: Monday, February 18, 2019 at 5pm

Dear Colleagues,

LRB-1376/1 and LRB-1794/1 will expand the Wisconsin Minority Teacher Loan Program which is administered by the Higher Education Aids Board (HEAB) to allow for a minority teacher who works in a Wisconsin school district in which minority students constitute at least 40% of the membership to be eligible to apply for loan forgiveness.

The current program is limited to schools in the City of Milwaukee and the program is underutilized. In February of 2018, HEAB requested authority to transfer nearly \$50,000 out of this program to cover expenses in another HEAB program.

In 2015-2016 the Minority Teacher Loan Program approved amounts of \$15,000 and \$21,080 in 2016-2017. Base funding for the Minority Teacher Loan Program is \$259,500 annually. In the 2017-2019 budget, this fund was reduced by \$125,000 to receive \$134,500 annually. However, HEAB was instructed to prepare its 2019-2021 budget request for their full annual appropriation of \$259,500.

By expanding this program, we provide an opportunity for teachers in several other areas of the state to be eligible for this program. This can be used as a hiring or retention tool for districts, as well as to address student loan issues that many new graduates face.

HEAB's informational paper includes eligibility, forgiveness criteria and loan repayment:
<http://heab.state.wi.us/docs/programs/mtl-flyer.pdf>

If you are interested in co-sponsoring LRB-1376/1 and LRB-1794/1, please call Rep. Loudenberg's office at 266-9967 or Senator Kooyenga's office at 266-2512. All co-sponsors will be automatically added to both companion bills.

Analysis by the Legislative Reference Bureau

This bill modifies eligibility criteria under the minority teacher loan program administered by the Higher Educational Aids Board. Under current law, a minority student is eligible for the minority teacher loan program if the student 1) is a Wisconsin resident enrolled at least half-time as a sophomore, junior, or senior in an institution of higher education located in Wisconsin; 2) is enrolled in a program of study leading to a teacher's license in a discipline identified as a teacher shortage area; and 3) has at least a 3.0 grade point average. A "minority student" is defined as a student who is a Black American; an American Indian; a Hispanic; or a person admitted to the United States after December 31, 1975, who is either a former citizen of Laos, Vietnam, or Cambodia or whose ancestor was or is a citizen of Laos, Vietnam, or Cambodia (Hmong). Under the program, an eligible minority student may receive up to \$10,000 in loans annually, up to a maximum total of \$30,000 in loans. The loans are generally repayable at an annual interest rate of 5 percent, but HEAB must forgive 25 percent of loan principal and interest for each school year that the loan recipient 1) is employed by a public or private elementary or secondary school in the city of Milwaukee as a full-time teacher in a high-demand area related to the recipient's discipline; and 2) receives a rating of proficient or distinguished on the educator effectiveness system or the equivalent in a school that does not use the educator effectiveness system.

This bill modifies the definition of "minority student" for purposes of the program to include any student of Asian or Pacific Island origin, not just Hmong students; Alaskan natives; and any student whose ancestry includes two or more races.

The bill also modifies the eligibility criteria for loan forgiveness under the program. Under the bill, a loan recipient is eligible for loan forgiveness if he or she is employed by a public or private school located in a Wisconsin school district in which minority students constitute at least 40 percent of the membership.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.