

S.F. No. 797 – Establishing a Scholarship Program for Teachers of Color and Modifying Teacher Loan Forgiveness and Grants

Author: Senator Jim Abeler
Prepared by: Joan White, Senate Counsel
Date: February 15, 2021

Section 1 (136A.1274) subdivision 1 establishes the Aspiring Minnesota Teachers of Color Scholarship Program.

Subdivision 1 requires the Commissioner of the Office of Higher education to establish a new scholarship program to support undergraduate and graduate students who are preparing to become teachers, who have demonstrated financial need, and belong to a racial or ethnic group underrepresented in the state’s teacher workforce.

Subdivision 2 provides the eligibility requirements for the scholarship. The student must:

- (1) be enrolled in a teacher preparation program or a two-year early childhood educator program;
- (2) affirm that the person is a person of color or American Indian;
- (3) be making satisfactory academic progress; and
- (4) demonstrate financial need based on criteria developed by the commissioner.

There is a \$25,000 lifetime cap on scholarship awards.

Subdivision 3 requires the commissioner to determine the scholarship award amount based on eligible applicants and funds available. If funds are insufficient, the commissioner must reduce the scholarship award amount. Sets minimum and maximum scholarship amounts and provides that the grant must not exceed the applicant’s cost of attendance, after deducting all other grants and scholarships.

Subdivision 4 requires the commissioner to develop an application process for the students and institutions, and the scholarship funds must be paid to the institution after the institution has confirmed the applicant’s name, racial identity, gender, licensure area sought, and enrollment status.

Subdivision 5 establishes an account in the special revenue fund. Funds in the account do not cancel and are available until expended.

Subdivision 6 requires the commissioner to provide an interim report by July 15 each year, and by December 15 each year, a full report on the details of the program to the higher education committees. Specifies what the report must include.

This section is effective July 1, 2021, and initial scholarships must be awarded by November 1, 2021.

Section 2 (136A.1275) modifies the Teacher Candidate Grants. The program is renamed “Student Teacher Grants.”

Subdivision 1 specifies that the grant program is for teachers who are student teaching in a licensure shortage area or belong to a racial or ethnic group underrepresented in the teacher workforce. Strikes the definition of “shortage area” which is replaced by the term “licensure shortage area” under the definitions in subdivision 1a.

Subdivision 1a defines the terms “economic development region,” “licensure shortage area,” and “permanent residence.”

Subdivision 2 modifies eligibility for the scholarship program. The student teacher must:

- (i) be teaching in one of the ten most severe licensure shortage areas in the economic development region where the student is teaching or where the student has a permanent residence or;
- (ii) affirm to the teacher preparation program or OHE that the applicant is a person of color or American Indian. The student is eligible under this clause if the aggregate percentage of teachers of color and American Indian is be lower than the aggregate percentage of students of color and American Indian in the state.

Subdivision 3 requires the commissioner to notify grant recipients of the award by a certain date and modifies the administration of the grant program funds. Paragraph (c) specifies how the \$500,000 reserved under the appropriations section must allocated.

Subdivision 4 creates the student teacher grant program reserve account in the special revenue fund. Funds do not cancel and are available until expended.

Subdivision 5 requires the commissioner to submit a report annually by July 15 on the program and specifies what information the report must include.

The effective date makes this section effective July 1, 2021, except the commissioner may delay notification to student teachers receiving grants for the fall 2021 term until August 15, 2021.

Section 3 (136A.1791) modifies the Teacher Shortage Loan Forgiveness Program.

Subdivision 1 expands the program to nonlicensed early childhood professionals employed by a Head Start program This section also strikes the definition of teacher shortage area and adds

the term licensure shortage area as defined in section 2, and defines the term economic development region.

Subdivision 2 specifies how the commissioner awards funds and provides guidance if funds are insufficient to award grants to all eligible applicants.

Subdivision 3 deletes an obsolete report.

Subdivision 4 modifies the eligibility, by requiring at least one year of teaching in Minnesota, and the teacher must be teaching in one of the ten most severe licensure shortage areas in the teacher's economic development region or currently be teaching in Minnesota and self-identify as a person of color or American Indian, provided the aggregate percentage of teachers of color and American Indian is lower than the aggregate percentage of students of color and American Indian in the state.

Subdivision 5 increases the annual cap from \$1,000 to \$2,000, with the potential to receive \$3,000 if the applicant meets both eligibility criterion in subdivision 4, and increases the number of annual awards from five to ten.

Subdivision 9 adds requirements to the program annual report.

Subdivision 10 is stricken, which authorized rulemaking.

Section 4 appropriates funds. **Subdivision 1** appropriates \$10,150,000 in fiscal year 2022 and \$16,150,000 in 2023 to the Aspiring teachers of color scholarships. The administrative costs are capped at \$150,000 and the base appropriation for fiscal year 2024 is \$16,150,000.

Subdivision 2 appropriates \$2,318,000 in fiscal year 2022 and \$3,100,000 in fiscal year 2023 for the student teacher grants. Reserves funds for certain eligible applicants and caps administrative costs at \$100,000.

Subdivision 3 appropriates \$2,000,000 in 2022 and 2,000,000 in fiscal year 2023 for the teacher shortage loan forgiveness program and provides guidance if there are insufficient funds. Caps administrative costs at three percent of the appropriation and the base appropriation for 2024 is \$5,000,000.