START\_STATUTE15-1657.  Arizona teacher student loan program; requirements; fund; definitions

A.  The Arizona teacher student loan program is established to support the recruitment of teachers in public schools in this state. The Arizona board of regents may grant forgivable loans to qualified students from the Arizona teacher student loan fund established by this section to defray the costs of tuition, instructional materials and mandatory fees of qualified students who are pursuing either a teaching degree or a teaching certificate through an alternative teacher certification program at a qualifying postsecondary institution and who meet the qualifications to receive these loans. A qualified student who is in an alternative teacher certification program after obtaining a bachelor's degree is eligible for a loan issued pursuant to this section.  Loans shall be granted in an amount and on such terms and conditions as determined by the Arizona board of regents and shall be distributed on a first-come, first-served basis.

B.  The loans issued under this section shall be used to cover the costs of tuition and mandatory fees for each loan recipient and may also defray the cost of instructional materials, but shall exclude all grants, scholarships and tuition benefits such as military, tribal and employee grants, scholarships and benefits.

C.  A qualified student who does not successfully complete the academic year in good academic standing shall reimburse the Arizona board of regents for the total amount of the loan the qualified student received for that year under this section.

D.  For each academic year that the qualified student successfully completes and for which the qualified student receives a loan under this section, the qualified student must agree to teach for one full school year in a public school in this state. For qualified students who are teaching and receiving a loan under this section concurrently, the commitment period begins after graduation. If a qualified student enrolls in a summer term, that term may not be included in the calculation of the qualified student's postgraduation public service commitment.

E.  If the qualified student does not fulfill the qualified student's obligation to teach in a public school as prescribed in this section, the qualified student shall reimburse the Arizona board of regents for the proportional amount of the loan the qualified student received that corresponds to the number of school years the qualified student agreed to teach but did not teach in a public school in this state.

F.  The Arizona board of regents shall establish a process for deferring service or repayment based on factors adopted by the board.

G.  The Arizona teacher student loan fund is established. The Arizona board of regents shall administer the fund.  All monies appropriated to carry out the purposes of this section shall be deposited in the fund and all payments of principal and interest that are received by the Arizona board of regents shall be deposited, pursuant to sections 35‑146 and 35‑147, in the fund. Monies in the fund are continuously appropriated for use by the Arizona board of regents and are exempt from the provisions of section 35‑190 relating to lapsing of appropriations. The Arizona board of regents may retain up to ten percent of the amount deposited each fiscal year in the fund and may use the interest deposited in the fund for the purposes of administering the loan program established by this section, including loan repayment responsibilities.  On notice from the Arizona board of regents, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

H.  For the purposes of this section:

1.  "Qualified student" means a student who meets all of the following criteria:

(a)  Is a resident of this state.

(b)  Is a citizen or legal resident of the United States or is otherwise lawfully present in the United States.

(c)  Attends a qualifying postsecondary institution.

2.  "Qualifying postsecondary institution" means a regionally or nationally accredited private postsecondary educational institution in this state. END\_STATUTE