

TITLE 281 NEBRASKA COORDINATING COMMISSION FOR POSTSECONDARY EDUCATION

CHAPTER 1 - RULES AND REGULATIONS GOVERNING THE EXCELLENCE IN TEACHING ACT

001. SCOPE AND AUTHORITY.

001.01 Statutory Authority. This chapter is adopted pursuant to Neb. Rev. Stat. §§ 85-3101 to 85-3110 and 85-3112 to 85-3115.

001.02 Scope and Application. This chapter provides the procedures to carry out the Excellence in Teaching Act, which includes the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program.

002. ATTRACTING EXCELLENCE TO TEACHING PROGRAM.

002.01 Purposes. The purposes of the Attracting Excellence to Teaching Program are to:

002.01(A) Attract outstanding students to major in shortage areas at the teacher education programs of Nebraska's postsecondary educational institutions;

002.01(B) Retain resident students and graduates as teachers in the accredited school districts, educational service units, and private schools or approved private schools of Nebraska; and

002.01(C) Establish a loan contract that requires a borrower to obtain employment as a teacher in this state after graduation.

002.02 Definitions. For purposes of the Attracting Excellence to Teaching Program:

002.02(A) AETP means the Attracting Excellence to Teaching Program.

002.02(B) Award year means the period from July 1st of one year through June 30th of the succeeding year.

002.02(C) Board means the State Board of Education.

002.02(D) Borrower means an eligible student who receives a loan pursuant to the AETP.

002.02(E) Commission means the Coordinating Commission for Postsecondary Education.

002.02(F) Department means the State Department of Education, which is comprised of the Board and the Commissioner of Education.

002.02(G) Eligible for the AETP means an eligible student who:

002.02(G)(i) graduated in the top quarter of his or her high school class or has a minimum cumulative grade point average of 3.0 on a four-point scale in an eligible institution;

002.02(G)(ii) agrees to complete a teacher education program at an eligible institution and to complete the major on which the applicant's eligibility is based; and

002.02(G)(iii) commits to teach in an accredited or approved public or private school in Nebraska upon successful completion of the teacher education program for which the applicant is applying to the AETP and to becoming certified pursuant to Sections 79-806 to 79-815 R.R.S.

002.02H Eligible institution means a not-for-profit college or university which:

002.02(H)(i) is located in Nebraska;

002.02(H)(ii) is accredited by an accrediting agency recognized by the United States Department of Education as determined to be acceptable by the Board;

002.02(H)(iii) has a teacher education program; and

002.02(H)(iv) if a privately funded college or university has not opted out of the program pursuant to Section 002.04C of this Chapter.

002.02(I) Eligible student means an individual who:

002.02(I)(i) is a full-time student;

002.02(I)(ii) is enrolled in an eligible institution in an undergraduate or a graduate teacher education program working toward his or her initial certificate to teach in Nebraska;

002.02(I)(iii) if enrolled at a state-funded eligible institution, is a resident student as described in Section 85-502 R.R.S. or, if enrolled in a privately funded eligible institution, would be deemed a resident student if enrolled in a state-funded eligible institution; and

002.02(I)(iv) is a student majoring in a shortage area.

002.02(J) Employed as a teacher means employment equivalent to 0.5 full-time employment (FTE) or greater under one (1) or more teaching contracts with an approved or accredited Nebraska school throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester). Substitute teachers who meet this requirement will be considered employed as a teacher. This term also means employment by an Educational Service Unit (ESU) as a certificated employee as defined in Section 79-1234(2) R.R.S. when

the certificated employee will be functioning as a teacher throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester) in an approved or accredited Nebraska school pursuant to authority provided in the Educational Service Unit Act (Section 79-1201 R.R.S., et seq.).

002.02(K) Employed as a full-time teacher means employment equivalent to 1.0 FTE under one (1) or more teaching contracts with an approved or accredited Nebraska school throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester). Substitute teachers who meet this requirement will be considered employed as a full-time teacher. This term also means employment by an Educational Service Unit (ESU) as a certificated employee as defined in Section 79-1234(2) R.R.S. when the certificated employee will be functioning as a teacher equivalent to 1.0 FTE throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester) in an approved or accredited Nebraska school pursuant to authority provided in the Educational Service Unit Act (Section 79-1201 R.R.S. et seq.).

002.02(L) Full-time student means, in the aggregate, the equivalent of a student who in a twelve-month (12) period has completed or is enrolled in twenty-four (24) semester credit hours for undergraduate students or eighteen (18) semester credit hours for graduate students of classroom, laboratory, clinical, practicum, or independent study course work.

002.02(M) Loan means an amount of money advanced under a contract to a borrower pursuant to the AETP.

002.02(N) Majoring in a shortage area means pursuing a degree which will allow an individual to be properly endorsed to teach in a shortage area.

002.02(O) Repayment period means the time during which the borrower is required to make payments on the loan or loans.

002.02(P) Repayment status means when a borrower meets any of the conditions triggering repayment commencement described in Section 002.05A of this Chapter.

002.02(Q) Secular field of teaching means teaching areas covered by teaching endorsements identified in 92 NAC 24 excluding Religious Education.

002.02(R) Shortage area means a secular field of teaching for which there is a shortage, as determined by the Department, of properly endorsed teachers pursuant to Section 004 of this Chapter, at the time the borrower first receives funds pursuant to the program.

002.02(S) Student-teaching semester means a semester of full-time enrollment for clinical practice which provides initial preparation for a student enrolled in an eligible institution and pursuing a certificate to teach that includes a culminating supervised experience to demonstrate competence in the professional teaching role for which such student is applying.

002.02(T) Teacher means an individual who holds a valid teaching certificate and who is regularly employed for the instruction of pupils pursuant to Section 79-101 R.R.S. For purposes of this Chapter, this definition does not include administrative or special services certificate holders who are employed in positions requiring these endorsements.

002.02(U) Teacher education program means a program of study approved by the Board pursuant to subdivision (5) (g) of Section 79-318 R.R.S.

002.03 Application Process.

002.03(A) Application. In order to be considered for a loan, an eligible student must complete the appropriate application forms prescribed by the Commission.

002.03(A)(i) Incomplete applications will not be considered for a loan.

002.03(B) Deadlines.

002.03(B)(i) Applications must be submitted to the administrator responsible for the teacher education program in which the applicant is enrolled by a date determined by the administrator. Applications recommended by the institution must be received by the Commission on or before July 1 of each award year in which funds are available.

002.03(B)(ii) Applications recommended by the institution for reallocated funds as described in Section 002.04B of this Chapter must be received by the Commission on or before February 1 of each award year in which reallocated funds are available.

002.03(C) Maximum amounts. Eligible students may apply, on an annual basis, for loans in an amount of not more than three thousand dollars (\$3,000) per year, except that eligible students applying for a loan for a student-teaching semester may apply for an additional loan of not more than three thousand dollars (\$3,000) and may receive no more than six thousand dollars (\$6,000) for the year in which they complete their student teaching semester. Loans awarded to an eligible student must not exceed a cumulative period exceeding five (5) consecutive years.

002.03(D) Awards. Loans must only be awarded through an eligible institution and funded pursuant to Section 85-3112 R.R.S. Prior to receiving any money from a loan pursuant to the AETP, an eligible student must enter into a contract with the Commission.

002.03(E) Distribution. The Commission must allocate the funds to be distributed for the AETP, including both funds restricted to eligible students enrolled in student-teaching semesters and funds not restricted to students enrolled in student-teaching semesters, to all eligible institutions according to the formula set forth in Section 002.04 of this Chapter.

002.03(E)(i) Eligible institutions must act as agents of the Commission in the distribution of funds to borrowers.

002.03(E)(ii) Eligible institutions must disburse funds directly to the borrower in a lump sum unless another manner or method of disbursement or distribution has been authorized, in writing, by the borrower.

002.04 Formula. The formula for the distribution of the appropriated funds to eligible institutions that have not opted out of the AETP according to Section 002.04C of this Chapter must be based on the percentage of the most recent teacher education program completer data generated by each eligible institution. The percentage of funds allocated to each eligible institution, for both eligible students enrolled in student-teaching semesters and eligible students not enrolled in student-teaching semesters, will match the institution's percentage of the total teacher education program completers from all eligible institutions.

002.04(A) The allocation of available funds will be reported to each participating eligible institution no later than March 15 prior to the award year in which funds are available.

002.04(B) Funds not awarded pursuant to Section 002.03B1 of this Chapter will be reallocated to those institutions that notify the Commission on or by December 1 of the award year of the institution's desire to be considered for the reallocated funds. The reallocation of available funds will be reported to eligible institutions no later than December 15 of each award year that those funds are available.

002.04(C) Opting Out Provisions. An eligible institution may opt out of the AETP by notifying the Executive Director of the Commission, in writing, postmarked or emailed by March 1 prior to the award year for which loans are available, of the institution's intent not to participate in the AETP. Such notification will be considered in force until the Executive Director is notified, in writing, of the institution's intent to recommence its participation in the AETP.

002.05 Loan Contract Provisions. Prior to receiving any money from a loan pursuant to the AETP, an eligible student must enter into a contract with the Commission. Such contract is exempt from the requirements of the State Procurement Act.

002.05(A) Repayment Commencement.

002.05(A)(i) For eligible students who applied for the first time prior to April 23, 2009:

002.05(A)(i)(1) If the borrower is not employed as a teacher in Nebraska for a time period equal to the number of years required for loan forgiveness and is not enrolled as a full-time student in a graduate program within six (6) months after obtaining an undergraduate degree for which a loan from the AETP was obtained or the borrower does not complete the requirements for graduation within five (5) consecutive years after receiving the initial loan under the AETP, then the loan must be repaid, with interest at the rate fixed pursuant to Section 45-103 R.R.S. accruing as of the date the borrower signed the contract.

002.05(A)(ii) For eligible students who applied for the first time on or after April 23, 2009:

002.05(A)(ii)(1) If the borrower is not employed as a full-time teacher in an approved or accredited school in Nebraska and teaching at least a portion of the time in the shortage area for which the loan was received for a time period equal to the number of years required for loan forgiveness or is not enrolled as a full-time student in a graduate program within six (6) months after obtaining an undergraduate degree for which a loan from the AETP was obtained or the borrower does not complete the requirements for graduation within five (5) consecutive years after receiving the initial loan under the AETP, then the loan must be repaid, with interest at the rate fixed pursuant to Section 45-103 R.R.S. accruing as of the date the borrower signed the contract and actual collection costs as determined by the Commission.

002.05(A)(iii) If the borrower fails to remain enrolled at an eligible institution or otherwise fails to meet the requirements of an eligible student, repayment of the loan must commence within six (6) months after such change in eligibility.

002.05(A)(iv) The interest rate for the entire repayment period must be that which is in effect under Section 45-103 R.R.S. on the date that the borrower signed the contract.

002.05(B) Repayment Procedures. Repayment will be made on a monthly basis on a schedule which allows up to two (2) years of payments for all loans received. The borrower, at his/her option, may accelerate payment on all or any part of the loan principal plus accrued interest at any time without penalty. Monthly payments must be received at the Commission no later than the 15th of each month.

002.05(C) Penalty. In the event the borrower fails to make a scheduled installment payment, the entire unpaid indebtedness, including any accrued interest, may become immediately due and payable at the option of the Executive Director.

002.05(D) Repayment Exceptions.

002.05(D)(i) Cancellation. The repayment obligation must be cancelled if the Executive Director determines that:

002.05(D)(i)(1) The borrower is unable to teach because s/he is permanently totally disabled, on the basis of verification from the Social Security Administration; or

002.05(D)(i)(2) The borrower has died, on the basis of a death certificate or other evidence conclusive under State law provided by next of kin or personal administrator of the estate.

002.05(D)(ii) Deferment. A deferment of the repayment period may be granted by the Executive Director if the borrower is in repayment status and can substantiate that s/he is:

002.05(D)(ii)(1) engaging in a full-time course of study at an institution of higher education;

002.05(D)(ii)(2) serving on active duty as a member of the Armed Forces of the United States, for a period not in excess of three (3) years;

002.05(D)(ii)(3) temporarily totally disabled as established by the sworn affidavit of a qualified physician, for a period not in excess of three (3) years;

002.05(D)(ii)(4) unable to secure employment by reason of the care required by a disabled child, spouse, or parent for a period not in excess of twelve (12) months; or

002.05(D)(ii)(5) seeking and unable to find full-time employment for a single period not in excess of twelve (12) months.

002.05(D)(iii) Qualification for Exceptions. To qualify for a cancellation or deferment, the borrower must notify the Commission, in writing, of his or her claim and provide supporting documentation of the claim. If the borrower's claim is accepted, s/he will not be required to make repayments nor will interest accrue on the outstanding balance during the deferment period.

002.05(E) Loan Forgiveness.

002.05(E)(i) For eligible students who applied for the first time prior to April 23, 2009:

002.05(E)(i)(1) If the borrower successfully completes the teacher education program and becomes certified pursuant to Sections 79-806 to 79-815 R.R.S., becomes employed as a teacher in this state within six (6) months of becoming certified, and otherwise meets the requirements of the contract, payments must be suspended for

the number of years that the borrower is required to remain employed as a teacher in this state under the contract. For each year that the borrower teaches in Nebraska pursuant to the contract, payments must be forgiven in an amount equal to the amount borrowed for one (1) year, except that if the borrower teaches in a school district that is in a local system classified in the very sparse cost grouping as defined in Section 79-1003 R.R.S. or teaches in a school district in which at least forty percent (40%) of the students are poverty students as provided in Section 79-1003 R.R.S., payments must be forgiven each year in an amount equal to the amount borrowed for two (2) years.

002.05(E)(ii) For eligible students who applied for the first time on or after April 23, 2009:

002.05(E)(ii)(1) If the borrower successfully completes the teacher education program and major for which the borrower is receiving a forgivable loan pursuant to the program and becomes certified pursuant to Sections 79-806 to 79-815 R.R.S. with an endorsement in the shortage area for which the loan was received, becomes employed as a full-time teacher teaching at least a portion of the time in the shortage area for which the loan was received in an approved or accredited school in Nebraska within six (6) months of becoming certified, and otherwise meets the requirements of the contract, payments must be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract. Beginning after the first two (2) years of teaching full-time in Nebraska following graduation for the degree for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan must be forgiven in an amount equal to three thousand dollars (\$3,000), except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in Section 79-1003 R.R.S., teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, teaches in a school building in which at least forty percent (40%) of the formula students are poverty students as defined in Section 79-1003 R.R.S., or teaches in an accredited or approved private school in Nebraska in which at least forty percent (40%) of the enrolled students qualified for free lunches as determined by the most recent data available from the Department, payments must be forgiven each year in an amount equal to six thousand dollars (\$6,000).

002.05(E)(iii) When a loan has been forgiven pursuant to Section 002.05E of this Chapter, the amount forgiven may be taxable income to the borrower and the Commission must provide notification of the amount forgiven to the borrower, the Nebraska Department of Revenue, and the United States Internal Revenue Service if required by the Internal Revenue Code.

002.05(F) Default. Failure of a borrower to either fulfill the terms necessary for loan forgiveness according to Section 002.05E of this Chapter or repay the loan according to Section 002.05A and Section 002.05B of this Chapter must constitute a default. Borrowers in default may be referred to a collection agency according to Section 45-623 R.R.S.

003. ENHANCING EXCELLENCE IN TEACHING PROGRAM.

003.01 Purposes. The purposes of the Enhancing Excellence in Teaching Program are to:

003.01(A) Retain teachers in the accredited school districts, educational service units, and private schools or approved private schools of Nebraska;

003.01(B) Improve the skills of existing teachers in Nebraska through the graduate education programs of Nebraska's postsecondary educational institutions; and

003.01(C) Establish a loan contract that requires a borrower to continue employment as a teacher in this state after completion of the eligible graduate program.

003.02 Definitions. For purposes of the Enhancing Excellence in Teaching Program:

003.02(A) Approval to teach postsecondary courses by a Nebraska postsecondary educational institution means official documentation issued by a Nebraska postsecondary educational institution declaring that an individual has met the graduate degree or course requirements necessary to teach courses in a specific subject or subjects offered by the Nebraska postsecondary education institution for postsecondary degree credit.

003.02(B) Award year means the period from July 1st of one year through June 30th of the succeeding year.

003.02(C) Board means the State Board of Education.

003.02(D) Borrower means an eligible student who receives a loan pursuant to the EETP.

003.02(E) Commission means the Coordinating Commission for Postsecondary Education.

003.02(F) Department means the State Department of Education, which is comprised of the Board and the Commissioner of Education.

003.02(G) EETP means the Enhancing Excellence in Teaching Program.

003.02(H) Eligible coursework means those classes included on the Program of Study that begin during the loan award period.

003.02(I) Eligible graduate program means:

003.02(I)(i) a Program of Study offered by an eligible institution which results in obtaining a graduate degree; or

003.02(I)(ii) a graduate course of study leading to an endorsement in a shortage area specified by the Department; or

003.02(I)(iii) a graduate course of study leading to approval to teach postsecondary courses by a Nebraska postsecondary educational institution.

003.02(J) Eligible for the EETP means an eligible student who:

003.02(J)(i) agrees to complete an eligible graduate program at an eligible institution and to complete the program on which the applicant's eligibility is based as determined by the Department; and

003.02(J)(ii) commits to teach in an accredited or approved public or private school in Nebraska upon successful completion of the eligible graduate program for which the applicant is applying to the EETP and to maintaining certification pursuant to Sections 79-806 to 79-815 R.R.S.

003.02(K) Eligible institution means a not-for-profit college or university which:

003.02(K)(i) is located in Nebraska;

003.02(K)(ii) is accredited by an accrediting agency recognized by the United States Department of Education as determined to be acceptable by the Board;

003.02(K)(iii) has a teacher education program as defined in Section 002.02U of this Chapter; and

003.02(K)(iv) if a privately funded college or university has not opted out of the EETP pursuant to Section 003.04B of this Chapter.

003.02(L) Eligible student means an individual who:

003.02(L)(i) is a certificated teacher employed to teach in an approved or accredited school in Nebraska;

003.02(L)(ii) is enrolled in an eligible graduate program;

003.02(L)(iii) if enrolled at a state-funded eligible institution, is a resident student as described in Section 85-502 R.R.S. or, if enrolled in a privately funded eligible institution, would be deemed a resident student if enrolled in a state-funded eligible institution; and

003.02(L)(iv) is majoring in a shortage area, curriculum and instruction, a subject area in which the individual already holds a secular teaching endorsement, a subject area that will result in an additional secular teaching endorsement, or is applying for approval to teach postsecondary courses by a Nebraska postsecondary educational institution, which the superintendent of the school district or head administrator of the private, denominational, or parochial school employing the individual believes will be beneficial to the students of such school district or school as evidenced by a statement signed by the superintendent or head administrator.

003.02(M) Employed as a teacher means employment equivalent to 0.5 full-time employment (FTE) or greater under one (1) or more teaching contracts with an approved or accredited Nebraska school throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester). Substitute teachers who meet this requirement must be considered employed as a teacher. This term also means employment by an Educational Service Unit (ESU) as a certificated employee as defined in Section 79-1234(2) R.R.S. when the certificated employee will be functioning as a teacher throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester) in an approved or accredited Nebraska school pursuant to authority provided in the Educational Service Unit Act (Section 79-1201 R.R.S., et seq.).

003.02(N) Employed as a full-time teacher means employment equivalent to 1.0 FTE under one (1) or more teaching contracts with an approved or accredited Nebraska school throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester). Substitute teachers who meet this requirement must be considered employed as a full-time teacher. This term also means employment by an Educational Service Unit (ESU) as a certificated employee as defined in Section 79-1234(2) R.R.S. when the certificated employee will be functioning as a teacher equivalent to 1.0 FTE throughout the course of one (1) school year or a period of two (2) consecutive school terms that are the equivalent of one (1) school year (e.g., one (1) spring semester and the following fall semester) in an approved or accredited Nebraska school pursuant to authority provided in the Educational Service Unit Act (Section 79-1201 R.R.S. et seq.).

003.02(O) Enrolled means the eligible student is officially admitted into an eligible graduate program at an eligible institution and s/he meets that institution's requirements for continuing enrollment certification purposes or for maintaining graduate student status.

003.02(P) Loan means an amount of money advanced under a contract to a borrower pursuant to the EETP.

003.02(Q) Majoring in a shortage area or subject area means pursuing a degree or graduate course of study which will allow an individual to be properly endorsed to teach in such shortage area or subject area.

003.02(R) Nebraska postsecondary educational institution means a Nebraska public postsecondary institution as defined in section 85-2403 and any private, nonprofit postsecondary institution with a principal facility in Nebraska that is exempt from the Private Postsecondary Career School Act.

003.02(S) Program of Study means official documentation that verifies enrollment and coursework in an eligible graduate program and must include:

003.02(S)(i) the name of the applicant;

003.02(S)(ii) the name of the eligible graduate program to be completed;

003.02(S)(iii) a listing of the coursework required to complete the eligible graduate program;

003.02(S)(iv) a tentative timeline for completion of the eligible graduate program; and

003.02(S)(v) the signature of the designated representative of the eligible institution.

003.02(T) Proof of coursework completion means a grade report or transcript from an eligible institution which verifies that the borrower has completed the eligible coursework for which funds were received during the award year.

003.02(U) Proof of program completion means an official transcript from an eligible institution which verifies that the borrower has completed the eligible graduate program for which the loan was received.

003.02(V) Proof of registration means a class schedule or transcript from an eligible institution which verifies registration for eligible coursework.

003.02(W) Repayment period means the time during which the borrower is required to make payments on the loan or loans.

003.02(X) Repayment status means when a borrower meets any of the conditions triggering repayment commencement described in Section 003.05A of this Chapter.

003.02(Y) Secular field of teaching means teaching areas covered by teaching endorsements identified in 92 NAC 24 excluding Religious Education.

003.02(Z) Shortage area means a secular field of teaching or endorsement area for which there is a shortage, as determined by the

Department pursuant to Section 004 of this Chapter, of properly endorsed teachers at the time the borrower first receives funds pursuant to the EETP.

003.02(AA) Teacher means an individual who holds a valid teaching certificate and who is regularly employed for the instruction of pupils pursuant to Section 79-101 R.R.S. For purposes of this Chapter, this definition does not include administrative or special services certificate holders who are employed in positions requiring these endorsements.

03.03 Application Process.

003.03(A) Application. In order to be considered for a loan, an eligible student must complete the appropriate application forms prescribed by the Commission.

003.03(A)(i) Applications must include a Program of Study approved by a designated representative of the eligible institution in which the applicant is enrolled.

003.02(A)(ii) Incomplete applications will not be considered for a loan.

003.03(B) Deadlines. Applications must be submitted to the administrator responsible for the teacher education program, or his/her designated representative, of the eligible institution in which the applicant is enrolled by a date determined by the administrator.

003.03(B)(i) Institutions must number the applications in the order in which they are received and send all submitted applications to the Commission. Applications must be received by the Commission on or before June 1 prior to the award year in which funds are available.

003.03(C) Maximum Amounts. Eligible students may apply on an annual basis for loans in an amount of not more than one hundred seventy-five dollars (\$175) per credit hour. Loans awarded to individual students must not exceed a cumulative period exceeding five (5) consecutive years.

003.03(C)(i) Loans awarded to individual students must not exceed an annual amount of three thousand dollars (\$3,000).

003.03(D) Distribution. The Commission must allocate the funds to be distributed for the EETP to all eligible institutions according to the formula set forth in Section 003.04A of this Chapter. The Commission must distribute the funds for the EETP directly to the borrower.

003.03(E) Awards. Loans must only be awarded through the Commission and funded pursuant to Section 85-3112 R.R.S.

003.03(E)(i) The borrower must submit proof of registration for eligible coursework to the Commission pursuant to the contract prior to any funds being distributed.

003.03(E)(i)(1) The borrower must only receive payment one time for each eligible course on his/her Program of Study. Repeated coursework for which a final course grade has been previously assessed is ineligible for payment.

003.03(E)(ii) Funds not claimed pursuant to the contract will revert to the Excellence in Teaching Cash Fund.

003.04 Formula.

003.04(A) Formula for Distribution. The Commission must distribute one-sixth (1/6) of the total funds available pursuant to Section 85-3112 R.R.S. evenly among all eligible institutions. The remaining funds must be allocated by formula on the basis of the percentage of the total Master's degrees in education awarded by each eligible institution, excluding those awarded in administrative or special services programs. The percentage of loan funds available to each eligible institution will match the institution's percentage of the state's total Master's degrees in education awarded by all eligible institutions.

003.04(A)(i) The formula will be based on the most current Master's degree in education completer information reported to the Commission.

003.04(A)(ii) The allocation of available funds will be reported to the eligible institutions no later than March 15 prior to each award year.

003.04(A)(iii) In the event that additional funds for the EETP become available during the current loan award period, the Commission may establish an interim distribution process based on the percentage of the state's total Master's degrees in education awarded by each eligible institution.

003.04(B) Opting Out Provisions. An eligible institution may opt out of the EETP by notifying the Executive Director of the Commission, in writing, postmarked or emailed by February 1 prior to the award year for which loans are available, of the institution's intent not to participate in the EETP. Such notification will be considered in force until the Executive Director is notified, in writing, of the institution's intent to recommence its participation in the EETP.

003.05 Loan Contract Provisions. Prior to receiving any money from a loan pursuant to the EETP, an eligible student must enter into a contract with the Commission. Such contract is exempt from the requirements of the State Procurement Act.

003.05(A) Repayment Commencement. For the purposes of Repayment Commencement, the following provisions apply:

003.05(A)(i) If the borrower is not employed as a full-time teacher teaching in an approved or accredited school in Nebraska for a time

period equal to the number of years required for loan forgiveness pursuant to Section 003.05E of this Chapter, or the borrower does not complete the requirements for graduation, for the additional secular teaching endorsement, or for the approval to teach postsecondary courses by a Nebraska postsecondary educational institution within five (5) consecutive years after receiving the initial loan under the EETP, then the loan must be repaid with interest at the rate fixed pursuant to Section 45-103 R.R.S. accruing as of the date the borrower signed the contract and actual collection costs as determined by the Commission.

003.05(A)(ii) If the borrower fails to remain enrolled at an eligible institution or otherwise fails to meet the requirements of an eligible student, repayment of the loan must commence within six (6) months after such change in eligibility.

003.05(A)(iii) If the borrower fails to provide the Commission with proof of coursework completion within sixty (60) days of the completion of all eligible coursework for which the loan was received, repayment of the loan must commence within six (6) months from the end of the loan award period in which the loan was received.

003.05(A)(iv) If the borrower fails to provide the Commission with proof of program completion within sixty (60) days of completion of the eligible graduate program, repayment of the loan must commence within six (6) months of completion of the program.

003.05(A)(v) The interest rate for the entire repayment period must be that which is in effect under Section 45-103 R.R.S. on the date that the borrower signed the contract.

003.05(B) Repayment Procedures. Repayment will be made on a monthly basis on a schedule which allows up to two (2) years of payments for all loans received. The borrower, at his/her option, may accelerate payment on all or any part of the loan principal plus accrued interest at any time without penalty. Monthly payments must be received at the Commission no later than the 15th of each month.

003.05(C) Penalty. In the event the borrower fails to make a scheduled installment payment, the entire unpaid indebtedness, including any accrued interest, may become immediately due and payable at the option of the Executive Director,

003.05(D) Repayment Exceptions.

003.05(D)(i) Cancellation. The repayment obligation must be cancelled if the Executive Director determines that:

003.05(D)(i)(1) The borrower is unable to teach because s/he is permanently totally disabled, on the basis of verification from the Social Security Administration; or

003.05(D)(i)(2) The borrower has died, on the basis of a death certificate or other evidence conclusive under State law provided by next of kin or personal administrator of the estate.

003.05(D)(ii) Deferment. A deferment of the repayment period may be granted by the Executive Director if the borrower is in repayment status and can substantiate that s/he is:

003.05(D)(ii)(1) serving on active duty as a member of the Armed Forces of the United States, for a period not in excess of three (3) years;

003.05(D)(ii)(2) temporarily totally disabled as established by the sworn affidavit of a qualified physician, for a period not in excess of three (3) years;

003.05(D)(ii)(3) unable to secure employment by reason of the care required by a disabled child, spouse, or parent for a period not in excess of twelve (12) months; or

003.05(D)(ii)(4) seeking and unable to find full-time employment for a single period not in excess of twelve (12) months.

003.05(D)(iii) Qualification for Exceptions. To qualify for a cancellation or deferment, the borrower must notify the Commission, in writing, of his or her claim and provide supporting documentation of the claim. If the borrower's claim is accepted, s/he will not be required to make repayments nor will interest accrue on the outstanding balance during the deferment period.

003.05(E) Loan Forgiveness. If the borrower successfully completes the eligible graduate program for which the borrower is receiving a forgivable loan pursuant to the EETP, maintains certification pursuant to Sections 79-806 to 79-815 R.R.S., maintains full-time employment as a teacher in an approved or accredited school in this state, and otherwise meets the requirements of the contract, payments must be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract.

003.05(E)(i) For recipients who received funds for the first time prior to July 1, 2016:

003.05(E)(i)(1) Beginning after the first two (2) years of teaching full-time in Nebraska following graduation for the degree for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan must be forgiven in an amount equal to three thousand dollars (\$3,000), except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in Section 79-1003 R.R.S., teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, teaches in a school building in which at least forty

percent (40%) of the students are poverty students as defined in Section 79-1003 R.R.S., or teaches in an accredited or approved private school in Nebraska in which at least forty percent (40%) of the enrolled students qualified for free lunches as determined by the most recent data available from the Department, payments must be forgiven each year in an amount equal to six thousand dollars (\$6,000).

003.05(E)(ii) For recipients who received funds for the first time on or after July 1, 2016:

003.05(E)(ii)(1) Beginning after the first two (2) years of teaching full-time in Nebraska following completion of the eligible graduate program for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan must be forgiven in an amount equal to one thousand five hundred dollars (\$1,500), except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in Section 79-1003 R.R.S., teaches in a school building in which at least forty percent (40%) of the students are poverty students as defined in Section 79-1003 R.R.S., teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, or teaches in an accredited private school or educational service unit or an approved private school in Nebraska in which at least forty percent (40%) of the enrolled students qualified for free lunches as determined by the most recent data available from the Department, payments must be forgiven each year in an amount equal to one thousand five hundred dollars (\$1,500) for the first year of loan forgiveness and three thousand dollars (\$3,000) for each year of loan forgiveness thereafter.

003.05(E)(iii) The borrower must provide the Commission with proof of coursework completion within sixty (60) days of the completion of all eligible coursework for which the loan was received.

003.05(E)(iv) The borrower must provide the Commission with proof of program completion within sixty (60) days of completion of the eligible graduate program for which the loan was received.

003.05(E)(v) When a loan has been forgiven pursuant to Section 85-3110 R.R.S., the amount forgiven may be taxable income to the borrower and the Commission must provide notification of the amount forgiven to the borrower, the Nebraska Department of Revenue, and the United States Internal Revenue Service if required by the Internal Revenue Code.

003.06 Default. Failure of a borrower to either fulfill the terms necessary for loan forgiveness according to Section 003.05E of this Chapter or repay the loan according to Section 003.05A of this Chapter must constitute a default. Borrowers in default may be referred to a collection agency according to Section 45-623 R.R.S.

004. SHORTAGE AREAS. Shortage areas will be determined annually by the Department on the basis of an annual teacher supply survey of accredited and approved Nebraska school systems. Shortage areas as defined by the United States Department of Education under the Teacher Education Assistance for College and Higher Education (TEACH) Grant will also be considered as qualifying shortage areas. Shortage areas for the current award period are available on the Department's web site (www.education.ne.gov).

005. REPORTS. The Commission must provide reports on the AETP and the EETP as required by Section 85-3114 R.R.S.

005.01 Institutional Reports. Each participating institution must file an annual report with the Commission for the Attracting Excellence to Teaching Program and for the Enhancing Excellence in Teaching Program for any fiscal year in which the eligible institution receives funding to distribute to the students pursuant to either or both of such programs. Reports must be received by October 15 containing the following information:

005.01(A) The number of borrowers who are currently enrolled as full-time students; and

005.01(B) The number of borrowers who have completed the program for which the loan was received.

005.02 Commission Reports. On or before December 31 of each even-numbered year, the Commission must submit an electronic report to the Governor, the Clerk of the Legislature, and the Education Committee of the Legislature. This report must include information on an institution-by-institution basis and information on:

005.02(A) the status of the AETP and the EETP;

005.02(B) the status of the borrowers;

005.02(C) the impact of the AETP and the EETP on the number of teachers in shortage areas in Nebraska;

005.02(D) the number of teachers receiving graduate degrees and added endorsements in teaching areas in Nebraska;

005.02(E) the number of teachers receiving approval to teach postsecondary courses by a Nebraska postsecondary educational institution; and

005.02(F) a financial statement with a description of the activity of the Excellence in Teaching Cash Fund.

005.03 Confidentiality of Information. Any report which includes information about borrowers must exclude confidential information or any other information which specifically identifies a borrower.

