

HOUSE BILL NO. 509

INTRODUCED BY D. POWERS, D. BEDEY, M. BERTOGLIO, E. MATTHEWS, C. KEOGH, M. ROMANO, M.

THANE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE QUALITY EDUCATOR LOAN ASSISTANCE PROGRAM; EXPANDING ELIGIBILITY FOR THE PROGRAM TO INCLUDE ALL NEWLY HIRED QUALITY EDUCATORS IN MONTANA PUBLIC SCHOOLS; PROVIDING THAT NEWLY HIRED QUALITY EDUCATORS IN IMPACTED SCHOOLS HAVE PRIORITY FOR RECEIVING LOAN ASSISTANCE PAYMENTS; PROVIDING A PROCESS TO PRORATE LOAN ASSISTANCE PAYMENTS IF THE APPROPRIATION IS INSUFFICIENT TO FULLY FUND THE LOAN ASSISTANCE PAYMENT FOR ALL ELIGIBLE QUALITY EDUCATORS; AMENDING SECTIONS 20-4-503, 20-4-504, AND 20-4-505, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 20-4-503, MCA, is amended to read:

"20-4-503. Critical quality educator shortages -- impacted schools. (1) The board of public education, in consultation with the office of public instruction, shall maintain and make publicly available a current list of impacted schools.

(2) A quality educator ~~working at an impacted school~~ is eligible for repayment of all or part of the quality educator's outstanding educational loans existing at the time of application in accordance with the eligibility and award criteria established under this part. If a quality educator is eligible for loan assistance and remains employed in the same impacted school or another impacted school within the same school district, the quality educator remains eligible for a lifetime total of up to 3 years of state-funded loan repayment assistance and an additional 1 year of loan repayment assistance funded by the impacted school or the district under which the impacted school is operated pursuant to 20-4-504(2)."

Section 2. Section 20-4-504, MCA, is amended to read:

1 **"20-4-504. Loan repayment assistance.** (1) Loan repayment assistance may be provided on behalf
2 of a quality educator who:

3 (a) is newly hired, with priority given to a quality educator newly hired in an impacted school
4 pursuant to 20-4-503; and

5 (b) has an educational loan that is not in default and that has a minimum unpaid current balance of
6 at least \$1,000 at the time of application.

7 (2) A quality educator is eligible for state-funded loan repayment assistance for a lifetime total of
8 no more than 3 years and an additional 1 year of loan repayment assistance voluntarily funded by the impacted
9 school or the district under which the impacted-school is operated, with the maximum annual loan repayment
10 assistance not to exceed:

11 (a) \$3,000 of state-funded loan repayment assistance after the first complete year of teaching in
12 ~~an impacted school~~;

13 (b) \$4,000 of state-funded loan repayment assistance after the second complete year of teaching
14 in the same impacted-school or another impacted-school within the same school district;

15 (c) \$5,000 of state-funded loan repayment assistance after the third complete year of teaching in
16 the same impacted-school or another impacted-school within the same school district; and

17 (d) up to \$5,000 of loan repayment assistance funded by the impacted-school or the district under
18 which the impacted-school is operated after the fourth complete year of teaching in the same impacted-school
19 or another impacted-school within the same school district.

20 (3) If the funding for state-funded loan repayment assistance in any year is less than the total
21 amount for which Montana quality educators qualify, the superintendent of public instruction shall prorate
22 repayment assistance amounts accordingly as follows:

23 (a) The superintendent of public instruction shall prioritize repayment for quality educators working
24 at impacted schools first. If there are funds remaining after allocating amounts to fully fund quality educators
25 working in impacted schools pursuant to subsection (2), the superintendent of public instruction may award the
26 remaining funds to quality educators who are working in schools that are not impacted schools and prorate the
27 remaining funds if necessary. If the appropriated funds are insufficient to fully fund the amounts required for
28 quality educators working in impacted schools, the superintendent of public instruction shall prorate the

1 amounts as provided in subsection (3)(b).

2 (b) If the repayment assistance amount is insufficient to provide a full award to quality educators
3 working in impacted schools, the superintendent of public instruction shall prorate the repayment assistance
4 amount among only the quality educators working in impacted schools."

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6 **Section 3.** Section 20-4-505, MCA, is amended to read:

7 **"20-4-505. Loan repayment assistance documentation.** (1) A quality educator shall submit an
8 application for loan repayment assistance to the superintendent of public instruction in accordance with policies
9 and procedures adopted by the superintendent of public instruction. The application must include official
10 verification or proof of the applicant's total unpaid accumulated educational loan debt and other documentation
11 required by the superintendent of public instruction that is necessary for verification of the applicant's eligibility.

12 (2) The superintendent of public instruction may require a quality educator who is eligible for loan
13 repayment assistance to provide documentation that the quality educator has exhausted repayment assistance
14 from other federal, state, or local loan forgiveness, discharge, or repayment incentive programs.

15 (3) The superintendent of public instruction may remit payment of the loan on behalf of the quality
16 educator in accordance with the requirements of this part and policies and procedures adopted by the
17 superintendent of public instruction.

18 (4) ~~An impacted A school or a school district under which an impacted school is operated may~~
19 remit payment of the loan on behalf of a quality educator eligible for loan repayment assistance under this
20 section in accordance with 20-4-504."

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22 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2025.

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24 NEW SECTION. Section 5. Applicability. [This act] applies to applications for loan repayment
25 assistance submitted on or after July 1, 2025.

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