

NEBRASKA DEPARTMENT OF EDUCATION

RULE 25

REGULATIONS GOVERNING THE EXCELLENCE IN TEACHING ACT

TITLE 92, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 25

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State of Nebraska
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001 General Provision.

001.01 Statutory Authority. Section 79-8,140 of the Revised Statutes of Nebraska (R.R.S.) provides that the State Board of Education may adopt and promulgate rules and regulations to determine teacher shortage areas and 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:

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

002.01B Retain resident students and graduates as teachers in the accredited or approved public and private schools of Nebraska; and

002.01C 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 in Teaching Program:

002.02A Board shall mean the State Board of Education.

002.02B Borrower shall mean an eligible student who receives funds from an eligible institution pursuant to the Attracting Excellence to Teaching Program.

002.02C Department shall mean the State Department of Education, which is comprised of the Board and the Commissioner of Education.

002.02D Eligible institution shall mean a not-for-profit college or university which:

002.02D1 is located in Nebraska;

002.02D2 is accredited by the North Central Association of Colleges and Schools;

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002.02D3 has a teacher education program; and

002.02D4 if a privately funded college or university, has not opted out of the program pursuant to Section 002.04A of this Chapter.

002.02E Eligible student shall mean an individual who:

002.02E1 is a full-time student;

002.02E2 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;

002.02E3 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;

002.02E4 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;

002.02E5 agrees to complete a teacher education program at an eligible institution and, for applicants applying for the first time on or after April 23, 2009, to complete the major on which the applicant's eligibility is based;

002.02E6 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 Attracting Excellence to Teaching Program and to becoming certified pursuant to Sections 79-806 to 79-815 R.R.S.; and

002.02E7 for applicants applying for the first time on or after April 23, 2009, is a student majoring in a shortage area.

002.02F Employed as a teacher shall mean 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

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this requirement shall 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 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.*).

002.02G Employed as a full-time teacher shall mean full-time employment (FTE) 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 shall 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 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.*).

002.02H Full-time student shall mean, 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.

002.02I Loan shall mean the amount of money advanced to a borrower from funds provided pursuant to the Attracting Excellence to Teaching Program under a contract.

002.02J Majoring in a shortage area shall mean pursuing a degree which will allow an individual to be properly endorsed to teach in a shortage area.

002.02K Program shall mean the Attracting Excellence to Teaching Program.

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002.02L Repayment period shall mean the time during which the borrower is required to be making payments on the loan or loans.

002.02M Repayment status shall mean when a borrower meets any of the conditions triggering repayment commencement described in Section 002.05A of this Chapter.

002.02N Secular field of teaching shall mean teaching areas covered by teaching endorsements identified in Title 92 NAC Chapter 24 excluding Religious Education.

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

002.02P Teacher shall mean an individual who holds a 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.

002.02Q Teacher education program shall mean a program of study approved by the State Board of Education pursuant to subdivision (5) (g) of Section 79-318 R.R.S.

002.03 Application Process.

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

002.03B Deadlines.

002.03B1 Applications for initial funds must be submitted to the administrator responsible for the teacher education program which has admitted the applicant by a date determined by the eligible institution. Applications recommended by the institution for initial funds must be received by the Department on or before December 1 of each year in which funds are available.

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002.03B2 Applications for reallocated funds as described in Section 002.04B2 of this Chapter must be submitted to the administrator responsible for the teacher education program which has admitted the applicant by a date determined by the eligible institution. Applications recommended by the institution for reallocated funds must be received by the Department on or before February 1 of each year in which funds are available.

002.03C 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. Loans awarded to an eligible student shall not exceed a cumulative period exceeding five (5) consecutive years.

002.03D Distribution. The Department shall allocate, on an annual basis, the funds to be distributed for the program to all eligible institutions according to the formula set forth in Section 002.04 of this Chapter. The eligible institutions shall act as agents of the Department in the distribution of the funds to eligible students.

002.03D1 Eligible institutions shall disburse the funds directly to the eligible student in a lump sum unless another manner or method of disbursement or distribution, including but not limited to the institution crediting the eligible student's account with the institution, has been authorized, in writing, by the eligible student.

002.03E Awards. Loans shall only be awarded through an eligible institution and funded pursuant to Section 79-8,137.05 R.R.S. Prior to receiving any money from a loan pursuant to the Attracting Excellence to Teaching Program, an eligible student shall enter into a contract with the Department.

002.04 Formula. The formula for initial distribution of loan funds to eligible institutions that have not opted out of the program according to Section 002.04A of this Chapter shall be based on the percentage of the previous year's total teacher education program completers generated by each eligible institution. The percentage of loan funds available to each eligible institution will match the institution's percentage of the state's teacher education program completers from all eligible institutions.

002.04A Opting Out Provisions. An eligible institution may opt out of the Attracting Excellence to Teaching Program by notifying the Commissioner of Education, in writing, postmarked or emailed by May 1 prior to the

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school year for which loans are available, of the institution's intent not to participate in the program. Such notification will be considered in force until the Commissioner is notified, in writing, of the institution's desire to begin participation in the program.

002.04B Institutional Formula.

002.04B1 The institutional formula for initial distribution of the appropriated funds will be reported to eligible institutions at the beginning of the school year, or no later than October 15 of each year. The formula will be based on teacher education program completer data reported to the Department for the previous year.

002.04B2 Distribution of funds available under this part which are not awarded by institutions pursuant to Section 002.03B1 of this Chapter will be reallocated to those institutions that notify the Department on or by December 1 of the institution's desire to be considered for the reallocated funds. The institutional formula for the distribution of reallocated funds will be reported to eligible institutions no later than December 15 of each year that funds are available.

002.05 Loan Contract Provisions. Prior to receiving any money from a loan pursuant to the Attracting Excellence to Teaching Program, an eligible student shall enter into a contract with the Department.

002.05A Repayment Commencement.

002.05A1 For eligible students who applied for the first time prior to April 23, 2009:

002.05A1a 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 program was obtained or the borrower does not complete the requirements for graduation within five (5) consecutive years after receiving the initial loan under the program, 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.

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002.05A2 For eligible students who applied for the first time on or after April 23, 2009:

002.05A2a 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 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 program was obtained or the borrower does not complete the requirements for graduation within five (5) consecutive years after receiving the initial loan under the program, 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 Department.

002.05A3 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 shall commence within six (6) months after such change in eligibility.

002.05A4 The interest rate for the entire repayment period shall be that which is in effect under Section 45-103 R.R.S. on the date that the borrower signed the contract.

002.05B 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 Department no later than the 15th of each month.

002.05C Penalty. In the event the borrower fails to make a scheduled payment of any installment due, the entire unpaid indebtedness including interest due shall, at the option of the Commissioner, become immediately due and payable.

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002.05D Repayment Exceptions.

002.05D1 Cancellation. The repayment obligation shall be cancelled if the Commissioner determines that:

002.05D1a The borrower is unable to teach because s/he is permanently totally disabled, on the basis of verification from the Social Security Administration; or

002.05D1b 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.

002.05D2 Deferment. A deferment of the repayment period may be granted by the Commissioner if the borrower is in repayment status and can substantiate that s/he is:

002.05D2a engaging in a full-time course of study at an institution of higher education;

002.05D2b 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;

002.05D2c temporarily totally disabled as established by the sworn affidavit of a qualified physician, for a period not in excess of three (3) years;

002.05D2d 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

002.05D2e seeking and unable to find full-time employment for a single period not to exceed twelve (12) months.

002.05D3 Qualification for Exceptions. To qualify for a cancellation or deferment, the borrower must notify the Department, 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.

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002.05E Loan Forgiveness.

002.05E1 For eligible students who applied for the first time prior to April 23, 2009:

002.05E1a 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 shall 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 shall 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 qualify for the poverty factor as provided in Section 79-1003 R.R.S., payments shall be forgiven each year in an amount equal to the amount borrowed for two (2) years.

002.05E2 For eligible students who applied for the first time on or after April 23, 2009:

002.05E2a 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 and accredited school in Nebraska within six (6) months of becoming certified, and otherwise meets the requirements of the contract, payments shall 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 years of teaching full-time in Nebraska following graduation for the degree for which the loan was received,

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for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan shall 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 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 shall be forgiven each year in an amount equal to six thousand dollars (\$6,000).

002.05E3 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 Department shall provide notification of the amount forgiven to the borrower, the Department of Revenue, and the United States Internal Revenue Service if required by the Internal Revenue Code.

002.05F 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 of this Chapter shall 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:

003.01A Retain teachers in the accredited or approved public and private schools of Nebraska;

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

003.01C Establish a loan contract that requires a borrower to continue employment as a teacher in this state after graduation from an eligible graduate program.

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

003.02A Board shall mean the State Board of Education.

003.02B Borrower shall mean an eligible student who receives funds from the Department pursuant to the Enhancing Excellence in Teaching Program.

003.02C Department shall mean the State Department of Education, which is comprised of the Board and the Commissioner of Education.

003.02D Eligible coursework shall mean those classes included on the Program of Study as approved by the eligible institution for the eligible graduate program that begin during the loan award period.

003.02E Eligible graduate program means a program of study offered by an eligible institution which results in obtaining a graduate degree.

003.02F Eligible institution shall mean a not-for-profit college or university which:

003.02F1 is located in Nebraska;

003.02F2 is accredited by the North Central Association of Colleges and Schools;

003.02F3 has a teacher education program as defined in Section 002.02Q of this Chapter; and

003.02F4 if a privately funded college or university, has not opted out of the Enhancing Excellence in Teaching Program pursuant to Section 003.04B of this Chapter.

003.02G Eligible student shall mean an individual who:

003.02G1 is a certificated teacher employed to teach in an approved or accredited school in Nebraska;

003.02G2 is enrolled in an eligible graduate program;

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003.02G3 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;

003.02G4 is majoring in a shortage area, curriculum and instruction, a subject area in which the individual already holds a secular teaching endorsement, or a subject area that will result in an additional secular teaching endorsement 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;

003.02G5 agrees to complete an eligible graduate program at an eligible institution and to complete the major on which the applicant's eligibility is based as determined by the Department; and

003.02G6 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 Enhancing Excellence in Teaching Program and to maintaining certification pursuant to Sections 79-806 to 79-815 R.R.S.

003.02H Employed as a teacher shall mean employment equivalent to 0.5 FTE or greater under one or more teaching contracts with an approved or accredited Nebraska school throughout the course of one school year or a period of two consecutive school terms that are the equivalent of one school year (e.g., one spring semester and the following fall semester). Substitute teachers who meet this requirement shall 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 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.*).

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003.02I Employed as a full-time teacher shall mean full-time employment (FTE) equivalent to 1.0 FTE under one or more teaching contracts with an approved or accredited Nebraska school throughout the course of one school year or a period of two consecutive school terms that are the equivalent of one school year (e.g., one spring semester and the following fall semester). Substitute teachers who meet this requirement shall 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.*).

003.02J Enrolled shall mean 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.

003.02K Loan shall mean the amount of money advanced to a borrower from funds provided pursuant to the Enhancing Excellence in Teaching Program under a contract.

003.02L Loan award period shall mean July 1 – June 30.

003.02M Majoring in a shortage area or subject area shall mean pursuing a degree which will allow an individual to be properly endorsed to teach in such shortage area or subject area.

003.02N Program shall mean the Enhancing Excellence in Teaching Program.

003.02O Program of Study shall mean documentation that verifies enrollment and coursework in an eligible graduate program and must include:

003.02O1 the name of the applicant;

003.02O2 the name of the eligible graduate program and degree to be completed;

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003.02O3 a listing of the coursework required to complete the eligible graduate program;

003.02O4 a tentative timeline for completion of the eligible graduate program; and

003.02O5 the signature of the eligible institution's eligible graduate program representative.

003.02P Proof of coursework completion shall mean 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 loan award period.

003.02Q Proof of program completion shall mean an official transcript from an eligible institution which verifies that the borrower has completed the eligible graduate program for which the loan was received.

003.02R Proof of registration shall mean a class schedule or transcript from an eligible institution which verifies registration for eligible coursework.

003.02S Repayment period shall mean the time during which the borrower is required to be making payments on the loan or loans.

003.02T Repayment status shall mean when a borrower meets any of the conditions triggering repayment commencement described in Section 003.05A of this Chapter.

003.02U Secular field of teaching shall mean teaching areas covered by teaching endorsements identified in Title 92 NAC Chapter 24 excluding Religious Education.

003.02V Shortage area shall mean a secular field of teaching 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 Enhancing Excellence in Teaching Program.

003.02W Teacher shall mean an individual who holds a 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

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definition does not include administrative or special services certificate holders who are employed in positions requiring these endorsements.

003.03 Application Process.

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

003.03A1 Applications must include a Program of Study approved by the eligible institution in which the applicant is enrolled.

003.02A2 Incomplete applications will not be considered for a loan.

003.03B Deadlines. Applications shall be submitted to the institution's teacher education program administrator or his/her representative by a date determined by the administrator.

003.03B1 Institutions shall send all submitted applications to the Department. Applications must be received by the Department on or before June 1 of each year in which funds are available.

003.03C 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 shall not exceed a cumulative period exceeding five (5) consecutive years.

003.03C1 Loans awarded to individual students shall not exceed an annual amount of three thousand dollars (\$3,000).

003.03D Distribution. The Department shall apportion, on an annual basis, the funds to be distributed for the program to all eligible institutions according to the formula set forth in Section 003.04A of this Chapter. The Department shall distribute the funds for the program directly to the borrower.

003.03E Awards. Loans shall only be awarded through the Department and funded pursuant to Section 79-8,137.05 R.R.S.

003.03E1 The borrower must submit proof of registration for eligible coursework to the Department pursuant to the contract prior to any funds being distributed.

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003.03E1a The borrower shall only receive payment one time for each eligible course on his/her Program of Study.

003.03E2 Funds not claimed pursuant to the contract will revert to the Excellence in Teaching Cash Fund.

003.04 Formula.

003.04A Formula for Distribution. One-sixth (1/6) of the total funds available pursuant to Section 79-8,137.05 R.R.S. shall be apportioned evenly among all eligible institutions. The remaining funds shall be allocated by formula on the basis of the percentage of the total Master's degrees in education awarded by each eligible institution. 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 from all eligible institutions.

003.04A1 The formula will be based on the most current Master's degree in education completer information available from the Nebraska Coordinating Commission for Postsecondary Education.

003.04A2 The allocation of available funds will be reported to the eligible institutions no later than March 15 of each year.

003.04A3 In the event that additional funds for the program become available during the current loan award period, the Department 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.

003.04B Opting Out Provisions. An eligible institution may opt out of the Enhancing Excellence in Teaching Program by notifying the Commissioner of Education, in writing, postmarked or emailed by February 1 prior to the academic year for which loans are available, of the institution's decision not to participate in the program. Such notification will be considered in force until the Commissioner is notified, in writing, indicating the institution's desire to begin participation in the program.

003.05 Loan Contract Provisions. Prior to receiving any money from a loan pursuant to the Enhancing Excellence in Teaching Program, an eligible student shall enter into a contract with the Department.

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003.05A Repayment Commencement. Section 79-8,137.04(1) R.R.S. requires subsections 003.05A1 and 003.05A2 to be part of the contract. Section 79-8,137.04(2) R.R.S. requires that for a borrower to have payments suspended, the borrower must, in addition, otherwise meet the requirements of the contract. Subsections 003.05A3 and 003.05A4 are such additional provisions.

003.05A1 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 within five (5) consecutive years after receiving the initial loan under the program, then the loan shall 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 Department.

003.05A2 If the borrower fails to meet the requirements of an eligible student, repayment of the loan shall commence within six (6) months after such change in eligibility.

003.05A3 If the borrower fails to provide the Department 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 shall commence within six (6) months from the end of the loan award period in which the loan was received.

003.05A4 If the borrower fails to provide the Department with proof of program completion within sixty (60) days of the end of the loan award period in which the loan was received, repayment of the loan shall commence within six (6) months of completion of the program.

003.05A5 The interest rate for the entire repayment period shall be that which is in effect under Section 45-103 R.R.S. on the date that the borrower signed the contract.

003.05B 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

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on all or any part of the loan principal plus accrued interest at any time without penalty. Monthly payments must be received at the Department no later than the 15th of each month.

003.05C Penalty. In the event the borrower fails to make a scheduled payment of any installment due, the entire unpaid indebtedness including interest due shall, at the option of the Commissioner, become immediately due and payable.

003.05D Repayment Exceptions.

003.05D1 Cancellation. The repayment obligation shall be cancelled if the Commissioner determines that:

003.05D1a The borrower is unable to teach because s/he is permanently totally disabled, on the basis of verification from the Social Security Administration; or

003.05D1b 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.

003.05D2 Deferment. A deferment of the repayment period may be granted by the Commissioner if the borrower is in repayment status and can substantiate that s/he is:

003.05D2a 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;

003.05D2b temporarily totally disabled as established by the sworn affidavit of a qualified physician, for a period not in excess of three (3) years;

003.05D2c 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

003.05D2d seeking and unable to find full-time employment for a single period not in excess of twelve (12) months.

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003.05D3 Qualification for Exceptions. To qualify for a cancellation or deferment, the borrower must notify the Department, 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.

003.05E Loan Forgiveness. If the borrower successfully completes the eligible graduate program and major for which the borrower is receiving a forgivable loan pursuant to the Enhancing Excellence in Teaching Program and maintains certification pursuant to Sections 79-806 to 79-815 R.R.S., maintains employment as a teacher in an approved or accredited school in this state, and otherwise meets the requirements of the contract, payments shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under contract. Beginning after the first two 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 shall 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 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 shall be forgiven each year in an amount equal to six thousand dollars (\$6,000).

003.05E1 The borrower shall provide the Department with proof of coursework completion within sixty (60) days of the completion of all eligible coursework for which the loan was received.

003.05E2 The borrower shall provide the Department with proof of program completion within sixty (60) days of the end of the loan award period in which the loan was received.

003.05E3 When a loan has been forgiven pursuant to Section 79-8,137.04 R.R.S., the amount forgiven may be taxable income to the borrower and the Department shall provide notification of the amount forgiven to the borrower.

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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 shall 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 Nebraska public school districts. Shortage areas as defined by the U.S. 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 Department shall provide reports on the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program as required by Section 79-8,139 R.R.S.

005.01 Institutional Reports. Each participating institution shall file an annual report for the Attracting Excellence to Teaching Program and for the Enhancing Excellence in Teaching Program with the Department by October 15 containing the following information:

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

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

005.02 Department of Education Reports. On or before December 31, 2010, and on or before December 31 of each even-numbered year thereafter, the Department shall submit a report to the Governor, the Clerk of the Legislature, and the Education Committee of the Legislature. This report shall include information on an institution-by-institution basis and information on:

005.02A the status of the programs;

005.02B the status of the borrowers;

005.02C the impact of the programs on the number of teachers in shortage areas in Nebraska;

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005.02D the number of teachers receiving graduate degrees in teaching endorsement areas in Nebraska; and

005.02E 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 shall exclude confidential information or any other information which specifically identifies a borrower.