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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. **877**

February 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to higher education; establishing a loan forgiveness program account and
1.3 program for speech-language pathologists; appropriating money; proposing
1.4 coding for new law in Minnesota Statutes, chapter 136A.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[136A.1704] LOAN FORGIVENESS PROGRAM FOR**
1.7 **SPEECH-LANGUAGE PATHOLOGISTS.**

1.8 Subdivision 1. **Creation of account.** A loan forgiveness program account is
1.9 established in the special revenue fund in the state treasury to promote the recruitment and
1.10 retention of licensed speech-language pathologists to work with students with speech or
1.11 hearing disorders. Money appropriated to this account does not cancel but is available
1.12 until expended. Money in the account is appropriated to the director of the Minnesota
1.13 Office of Higher Education for the purpose of this section.

1.14 Subd. 2. **Eligibility for loan forgiveness.** A student loan administered by the
1.15 Minnesota Office of Higher Education under section 136A.16, subdivision 1, may be
1.16 forgiven if the recipient graduates from a postsecondary institution with a degree in
1.17 speech-language pathology, becomes licensed to work with students with speech and
1.18 hearing disorders as defined in Minnesota Rules, part 3525.1343, and is employed as a
1.19 speech-language pathologist with primary responsibilities to work with students who are
1.20 diagnosed with speech or hearing disorders.

1.21 Subd. 3. **Loan forgiveness.** (a) To the extent of available appropriations, one-fourth
1.22 of the principal of the outstanding loan amount shall be forgiven for each year of eligible
1.23 employment or a pro rata amount for eligible employment during part of a school year,
1.24 part-time employment, or other eligible part-time work. Loans for \$2,500 or less may be

2.1 forgiven at the rate of up to \$1,250 per year. Employment with the following Minnesota
2.2 schools and programs is eligible for determining loan forgiveness:

2.3 (1) a school or program operated by a school district or a group of school districts;

2.4 (2) a tribal contract school eligible to receive aid according to section 124D.83;

2.5 (3) a charter school;

2.6 (4) a private school;

2.7 (5) a Head Start program;

2.8 (6) an early childhood family education program; or

2.9 (7) a program providing early intervention services to children with disabilities

2.10 who have not entered kindergarten.

2.11 (b) If an eligible recipient has an outstanding loan administered by the Minnesota

2.12 Office of Higher Education, the duty to make payments of principal and interest may

2.13 be deferred during any time period the person is enrolled at least one-half time in an

2.14 advanced degree program in a field related to working with students with speech or

2.15 hearing disabilities. To defer loan obligations, the person shall provide written notification

2.16 to the Minnesota Office of Higher Education.

2.17 (c) The Minnesota Office of Higher Education shall approve the loan forgiveness

2.18 and deferral, and develop procedures to administer the program.

2.19 **Sec. 2. APPROPRIATION.**

2.20 \$..... is appropriated from the general fund to the Minnesota Office of Higher

2.21 Education for the biennium ending June 30, 2009, for the loan forgiveness program

2.22 under section 1 for deposit in the loan forgiveness program account created in section 1,

2.23 subdivision 1.