

**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
Department of Education
301 Centennial Mall South
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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.

001.02 Related Chapters. Title 92, Nebraska Administrative Code, Chapter 24,(92 NAC 24), contains regulations relating to endorsements.

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 school districts, educational service units, and private schools or approved 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 to Teaching Program:

002.02A AETP shall mean the Attracting Excellence to Teaching Program.

002.02B Board shall mean the State Board of Education.

002.02C Borrower shall mean an eligible student who receives a loan pursuant to the AETP.

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

002.02E Eligible for the AETP shall mean an eligible student who:

002.02E1 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;

002.02E2 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; and

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002.02E3 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.;

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

002.02F1 is located in Nebraska;

002.02F2 is accredited by a regional accrediting agency recognized by the United States Department of Education as determined to be acceptable by the Board;

002.02F3 has a teacher education program; and

002.02F4 if a privately funded college or university has not opted out of the program pursuant to Section 002.04C of this Chapter.

002.02G Eligible student shall mean an individual who:

002.02G1 is a full-time student;

002.02G2 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;

002.02G3 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;

002.02G4 for applicants applying for the first time on or after April 23, 2009, is a student majoring in a shortage area; and

002.02G5 for applicants applying to receive a loan during fiscal year 2011-2012 or 2012-2013, is a student who previously received a loan pursuant to the AETP in the fiscal year immediately preceding the fiscal year in which the new loan would be received.

002.02H 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 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

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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.*).

002.02I 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 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.*).

002.02J 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.

002.02K Loan shall mean an amount of money advanced under a contract to a borrower pursuant to the AETP.

002.02L 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.

002.02M Repayment period shall mean the time during which the borrower is required to make payments on the loan or loans.

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

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

002.02P Shortage area shall mean 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.

002.02Q Teacher shall mean 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.

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For purposes of this Chapter, this definition does not include administrative or special services certificate holders who are employed in positions requiring these endorsements.

002.02R 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.

002.03A1 Incomplete applications will not be considered for a loan.

002.03B Deadlines.

002.03B1 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 Department on or before December 1 of each year in which funds are available.

002.03B2 Applications recommended by the institution for reallocated funds as described in Section 002.04B of this Chapter must be received by the Department on or before February 1 of each year in which reallocated 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 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 AETP, an eligible student shall enter into a contract with the Department.

002.03E Distribution. The Department shall allocate the funds to be distributed for the AETP to all eligible institutions according to the formula set forth in Section 002.04 of this Chapter, except that the distribution of funds for each of fiscal years 2011-2012 and 2012-2013 shall be proportional based on the amounts applied for by eligible students at each eligible institution, and that no more than one hundred percent (100%) of such amounts shall be distributed.

002.03E1 Eligible institutions shall act as agents of the Department in the distribution of funds to borrowers.

002.03E2 Eligible institutions shall 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.

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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, except as provided in Section 002.03E of this Chapter, shall 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 will match the institution's percentage of the total teacher education program completers from all eligible institutions.

002.04A The allocation of available funds will be reported to each participating eligible institution at the beginning of the school year, or no later than October 15 of each year.

002.04B Funds not awarded 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 reallocation of available funds will be reported to eligible institutions no later than December 15 of each year that those funds are available.

002.04C Opting Out Provisions. An eligible institution may opt out of the AETP by notifying the Commissioner of Education, in writing, postmarked or emailed by May 1 prior to the academic 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 Commissioner 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 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 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.

002.05A2 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 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

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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 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 become, at the option of the Commissioner, immediately due and payable.

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;

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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 in excess of 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.

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 are poverty students 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 or 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 (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 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

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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 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 school districts, educational service units, and private schools or approved 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 completion of the eligible graduate program.

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 a loan pursuant to the EETP.

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

003.02D EETP shall mean the Enhancing Excellence in Teaching Program.

003.02E Eligible coursework shall mean those classes included on the Program of Study that begin during the loan award period.

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003.02F Eligible graduate program means a program of study offered by an eligible institution which results in obtaining a graduate degree or a graduate course of study leading to an endorsement in a shortage area specified by the State Board of Education.

003.02G Eligible for the EETP shall mean an eligible student who:

003.02G1 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

003.02G2 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.

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

003.02H1 is located in Nebraska;

003.02H2 is accredited by a regional accrediting agency recognized by the United States Department of Education as determined to be acceptable by the Board;

003.02H3 has a teacher education program as defined in Section 002.02Q of this Chapter; and

003.02H4 if a privately funded college or university has not opted out of the EETP pursuant to Section 003.04B of this Chapter.

003.02I Eligible student shall mean an individual who:

003.02I1 is a certificated teacher employed to teach in an approved or accredited school in Nebraska;

003.02I2 is enrolled in an eligible graduate program;

003.02I3 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;

003.02I4 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; and

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003.02I5 is applying for a loan pursuant to the EETP to be received at a time other than during fiscal year 2011-2012 or 2012-2013.

003.02J 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 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 (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.*).

003.02K 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 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.*).

003.02L 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.

003.02M Loan shall mean an amount of money advanced under a contract to a borrower pursuant to the EETP.

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

003.02O Majoring in a shortage area or subject area shall mean 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.

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

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003.02P1 the name of the applicant;

003.02P2 the name of the eligible graduate program to be completed;

003.02P3 a listing of the coursework required to complete the eligible graduate program;

003.02P4 a tentative timeline for completion of the eligible graduate program; and

003.02P5 the signature of the designated representative of the eligible institution.

003.02Q 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.

003.02R 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.

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

003.02T Repayment period shall mean the time during which the borrower is required to make payments on the loan or loans.

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

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

003.02W Shortage area shall mean 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.

003.02X Teacher shall mean 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.

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 a designated representative of the eligible institution in which the applicant is enrolled.

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

003.03B 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.

003.03B1 Institutions shall number the applications in the order in which they are received and 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 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 Department shall distribute the funds for the EETP 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.

003.03E1a The borrower shall 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.

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

003.04 Formula.

003.04A Formula for Distribution. The Department shall distribute one-sixth (1/6) of the total funds available pursuant to Section 79-8,137.05 R.R.S. 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, 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.

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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 EETP 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 EETP 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 intent not to participate in the EETP. Such notification will be considered in force until the Commissioner 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 shall enter into a contract with the Department.

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 program completion within five (5) consecutive years after receiving the initial loan under the EETP, 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 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.

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.

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003.05A4 If the borrower fails to provide the Department with proof of program completion within sixty (60) days of completion of the eligible graduate program, 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 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 become, at the option of the Commissioner, 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 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 shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under contract.

003.05E1 For recipients who received funds for the first time prior to July 1, 2016:

003.05E1a 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 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 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 shall be forgiven each year in an amount equal to six thousand dollars (\$6,000).

003.05E2 For recipients who received funds for the first time on or after July 1, 2016:

003.05E2a 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 shall 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 shall 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.

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003.05E3 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.

003.05E4 The borrower shall provide the Department with proof of program completion within sixty (60) days of completion of the eligible graduate program for which the loan was received.

003.05E5 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, the 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 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 accredited and approved Nebraska school systems. 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 AETP and the EETP as required by Section 79-8,139 R.R.S.

005.01 Institutional Reports. Each participating institution shall file an annual report with the Department 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:

005.01A 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 of each even-numbered year, the Department shall submit an electronic 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 AETP and the EETP;

005.02B the status of the borrowers;

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

005.02D the number of teachers receiving graduate degrees and added endorsements in teaching 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.