

**AGENDA
ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE**

ASSEMBLYMEMBER S. JOSEPH SIMITIAN, CHAIR

**WEDNESDAY, APRIL 2ND, 2003
STATE CAPITOL, ROOM 126
4:00 P.M.**

REGULAR BUSINESS

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ITEMS TO BE HEARD

ITEM 6120 CALIFORNIA STATE LIBRARY

ISSUE 1: SUPPORT BUDGET

The issue for the Subcommittee to consider is the California State Library support budget.

BACKGROUND/COMMENTS:

The California State Library provides library and information services to the legislative and executive branches of state government, members of the public, and California public libraries. In addition, the State Library administers and promotes literacy outreach programs such as the California Literacy Campaign, develops technological systems to improve resource sharing and enhance access to information, and administers the Public Library Foundation Act, which establishes a formula under which the State contributes funding for basic local library services.

The Governor's proposed budget includes a total of \$61,151,000 million for the California State Library, a reduction of approximately \$18,072,000 million or 22.8 percent over the revised current year. Of these total funds, the Governor proposes \$35,747,000 million in General Fund support, a reduction of \$22,384,000 million or 39.2 percent from the revised current year. The major provisions of Governor's proposed budget for the California State Library budget include:

- **Public Library Foundation.** The Governor proposes a \$15.8 million reduction in current and budget year, which reflects a 50 percent reduction from the 2002 Budget Act, for local library operational costs and materials. The Subcommittee rejected the Governor's current year reduction to the Foundation.
- **California Civil Liberties Public Education Program.** The Governor proposes a reduction of \$1 million and the elimination of this program in the budget year. This program was primarily designed as a result of a lack of education in public schools regarding the Japanese American interment experience. This highly successful program is in its third year of funding and the Subcommittee has rejected both the Governor's proposal to eliminate the program last year, and his additional proposal in the current year to reduce the program by 50%.
- **State Operations.** The Governor proposes a \$1 million reduction, offset by a \$1.2 million increase in federal funds during the current year, and \$1.5 million offset by a \$1.7 million increase in federal funds during the budget year, to support the federal government's share of State Library administrative costs. In addition, The Governor proposes a reduction of \$1.3 million in state general fund administrative costs that the Governor asserts are associated with reductions in local assistance programs. The Subcommittee approved the Governor's current year proposals.
- **User Fees for State Administration.** The Governor proposes legislation to allow the State Library to establish user fees (via a State Library Card, for example) to cover a portion of its administrative expenses. General Fund savings of \$3 million would result.

- **Library Program Consolidation.** The Governor proposes legislation to consolidate the existing California Literacy Campaign, Families for Literacy Campaign, and English Language and Literacy Intensive program into a block grant. In addition, the Governor proposes to provide \$5.3 million for that purpose by shifting funding from existing library and literacy programs. The Governor believes that program consolidation will streamline administration and provide greater local flexibility for literacy services.
- **Transaction Based Reimbursements.** The Governor proposes legislation to authorize local libraries to charge user fees to cover administrative costs associated with providing direct or inter-library loans of materials. The Governor asserts that the related fees would be approximately \$1 for direct loans and \$5 for inter-library loans. General Fund savings of \$12.1 million would result by eliminating state support of these loans. According to the California Library Association, last year 28 million items were made available from libraries where borrowers do not reside. They believe that shift to a fee for service program would unfairly "burden those who need libraries the most and who can least afford to pay for them (i.e. students, seniors or parents on a modest income, the unemployed seeking job training materials, etc.)." The State Library estimates that the state will lose \$21 million over a three-year period beginning in the 2004-05 fiscal year.
- **Library of California.** The Governor proposes a reduction of \$1 million and elimination support for this program. The Library of California was intended to connect all libraries across California to share information and resources. The Governor asserts that this program provides little direct service and is primarily administrative in nature at this time.
- **Library Construction and Renovation Bond Fund Audits.** The Governor proposes an appropriation of \$398,000 from bond funds for an audit to ensure that the authorized funds are used appropriately.

6360 COMMISSION ON TEACHER CREDENTIALING

ISSUE 1: SUPPORT BUDGET

The issue for the Subcommittee to consider is the Commission on Teacher Credentialing support budget.

BACKGROUND:

The Commission on Teacher Credentialing (CTC) was created in 1970 to establish and maintain high standards for the preparation and licensing of public school teachers and administrators. The CTC issues permits and credentials to all classroom teachers, student services specialists, school administrators, and child care instructors and administrators. In total, it issues more than 100 different types of documents.

The Governor's proposed budget includes a total of \$67 million for CTC. This is \$8.7 million, or 11 percent, less than CTC's revised current-year budget (with the enactment of SB 18x). Of CTC's proposed 2003-04 budget, \$40 million is from the General Fund (Proposition 98). These funds are designated for four CTC-administered local assistance programs. Three of these programs serve interns, preinterns, and paraprofessionals and the other program supports teacher assignment monitoring. The Governor's proposed budget proposes defunding and eliminating the California Mathematics Initiative for Teaching.

Major General Fund Budget Proposals. The table below lists the Governor's major General Fund budget proposals. The budget would reduce total General Fund spending by \$5.6 million, or 12 percent, from the revised current-year level. The intern program would receive a \$1.1 million, or 5 percent, augmentation in the budget year. Funding for the preintern program and paraprofessional program, on the other hand, would decline by 35 percent and 9 percent, respectively. The Governor proposes to eliminate the California Mathematics Initiative. This program was intended to provide financial assistance to individuals to encourage them to teach mathematics, but it has been under-subscribed since its inception in 1998. It was to sunset on June 30, 2004.

Commission on Teacher Credentialing General Fund Budget Summary (Dollars in Millions)

	Revised 2002-03 ^a	Proposed 2003-04	Change From 2002-03	
			Amount	Percent
Local Assistance—Proposition 98				
Internship Teaching Program	\$21.5 ^b	\$22.5	\$1.1	5%
Preinternship Teaching Program	16.0 ^c	10.4	-5.6	-35
Paraprofessional Teacher Training Program	7.2	6.6	-0.6	-9
Teacher misassignment monitoring	0.4	0.3	—	-12
California Mathematics Initiative for Teaching	0.4	—	-0.4	-100

Totals	\$45.4	\$39.8	-\$5.6	-12%
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^a Assuming passage of AB 8x (Oropeza).

^b Of this amount, \$17.3 million is Proposition 98 (General Fund) and \$4.2 million is reappropriated from the Proposition 98 Reversion Account.

^c Of this amount, \$11.8 million is Proposition 98 (General Fund) and \$4.2 million is reappropriated from the Proposition 98 Reversion Account.

COMMENTS:

As part of the Subcommittee's consideration of the CTC support budget, the CTC will present their analysis of consolidation of the CTC with the Department of Education. This information was requested a prior hearing by Assembly Member Goldberg and was transmitted to the Subcommittee on March 27th.

Legislative Analyst's Recommendations. In her review of the Governor's proposed budget, the Legislative Analyst does not raise any issues with the level of funding to the CTC budget. Instead, the Analyst recommends the Legislature enact legislation that would create greater coherence and consistency among the Commission on Teacher Credentialing's (CTC) intern, preintern, and paraprofessional programs by equalizing per participant funding rates and establishing a consistent matching requirement. In addition, the Analyst also recommends the Legislature allow CTC maximum flexibility to shift funds among these three programs. Lastly, the Analyst recommends the Legislature require CTC to report annually on the effectiveness of its programs in helping districts meet the new federal requirements of having highly qualified teachers in every public school classroom by the end of the 2005-06 school year.

The Analyst also recommends the Legislature designate \$3.1 million in federal Title II funds to expand subject matter training programs for emergency permit holders. The Analyst asserts that these programs are a high priority because: (1) many emergency permit holders are likely to need additional support to become highly qualified by 2005-06, as required by the federal accountability provisions; and (2) the funds are not needed for the program for which they were originally designated. Title II funds may be used for a variety of teacher training purposes, but the overriding objective is to encourage states to improve teacher quality by ensuring that all public school teachers are (1) proficient in the subject areas they teach and (2) highly qualified in teaching methodologies. Although California still has not developed its state definition of "highly qualified," emergency permit holders will not be considered highly qualified unless they (1) already are fully credentialed in a different subject, (2) enrolled in a program to obtain a supplemental credential, and (3) have demonstrated subject matter competency in this supplemental area.

6420 CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

ISSUE 1: SUPPORT BUDGET

The issue for the Subcommittee to consider is the California Postsecondary Education Commission support budget.

BACKGROUND:

The California Postsecondary Education Commission (CPEC) is a statewide postsecondary education coordinating and planning agency. The commission serves as a principal fiscal and program advisor to the Governor and Legislature on postsecondary educational policy. CPEC's responsibilities include conducting analyses and making recommendations related to long-range planning for public postsecondary education and analyzing both state policy and programs involving the independent and private proprietary educational sectors.

The Governor proposes total General Fund expenditures of \$695,000, a decrease of \$1.4 million, or 67 percent, from estimated current-year expenditures. This is due to the proposed elimination of 23.5 staff positions and related operating expenses and equipment. The proposed reduction would leave five positions (three General Fund positions and two federally funded positions). The Governor's current-year estimate assumes passage of his December revision, which reduced current-year spending for CPEC by \$108,000. As the state's administrator of the federal K-12/University Professional Development Partnerships, CPEC receives federal funds. The Governor's current-year estimate assumes a decrease in federal funds of \$2.9 million, leaving a total of \$5 million in federal funds. However, subsequent to the release of the Governor's budget, CPEC notified the Department of Finance that it would receive an additional \$3.2 million in federal funds in the current year.

COMMENTS:

As noted above, the Governor's 2003-04 proposal would leave CPEC with three General Fund positions and two federally funded positions. These include the director, the executive secretary, the postsecondary education manager in the external unit, and the chief associate and the office technician in the Federal Programs Unit. Thus, the Governor proposes no staffing for CPEC's information systems and administrative services unit.

Under the Governor's proposal, the two federally supported positions would continue to administer federal K-12/University Professional Development Partnerships. The proposal does not address what responsibilities would be assigned to the remaining three state supported staff. The commission, however, would be unable to fulfill the majority of its current statutory responsibilities with such limited staff. In addition, there is little point in maintaining the commission and executive director position if there is no staff to direct or to carry out its research and public agenda.

Legislative Analyst Recommendations. The Analyst believes that any major changes to CPEC's overall funding should be made in the context of realigning its mission and responsibilities so that CPEC's resources match its duties. She contends that once the

Legislature determines CPEC's primary mission and statutory responsibilities, then it can determine the appropriate structure for the agency. This is consistent with the Legislature's intent, expressed in supplemental report language in 2002-03, that the Analyst convene a working group to develop recommendations concerning CPEC. That working group met in the fall of 2002 to: Reexamine CPEC's statutory responsibilities, Identify ways that the commission can effectively perform its responsibilities within its budgeted resources and consider recommendations put forth by the Joint Committee to Develop a Master Plan for Education related to current CPEC functions and the development of a successor agency. The Analyst will discuss the working group report's findings during the hearing.

In summary, the LAO determined that there is a mismatch between CPEC's statutory responsibilities and their budgeted resources that needs to be aligned, first by determining where CPEC should focus its efforts/resources and then determining a funding level appropriate to those activities. Further, the LAO noted that there is an inherent "tension" between CPEC's role as an independent analyst and a coordinator of higher education information and policy. Specifically, the LAO believes that it is difficult for CPEC to serve both as a part of the higher education system's infrastructure while also serving as an objective analyst of that same structure.

Nonetheless, the Analyst recommends (1) approval of \$695,000 in General Fund support for the California Postsecondary Education Commission and (2) that the funds be designated for data management purposes. Similarly, Budget staff has requested that the Commission provide the Subcommittee with information regarding state and federal requirements with respects to data collection. Staff notes that the Subcommittee rejected the Governor's proposed reductions of \$108,000 in the current year, and rejected the severity of the Governor's proposed reductions during last year's May revision discussions.

Staff also notes that the Analyst raises issues with the CPEC Eligibility study, which the Subcommittee will be discussing at its regularly scheduled hearing next week.

6660 HASTINGS COLLEGE OF LAW

ISSUE 1: SUPPORT BUDGET

The issue for the Subcommittee to consider is Hastings College of Law's support budget.

BACKGROUND:

Hastings College of the Law (Hastings) was founded in 1878 by Serranus Clinton Hastings, California's first Chief Justice, and became affiliated with the University of California in the same year. Policy development and oversight for the college is established and carried out by a board of directors, who are appointed by the Governor for 12-year terms. The Juris Doctorate degree is granted by the Regents of the University of California and signed by both the University of California President and the Dean of Hastings College of Law.

The Governor's budget proposes a total of \$41 million for Hastings College of Law, representing an overall increase of \$3.5 million, or 9.3 percent, from the revised current year. Of these funds, \$11.4 million is in General Fund support, which reflects a decrease of \$3 million, or 21 percent, over the revised current year.

The Governor's budget proposes \$4 million in both unallocated and allocated GF reductions in 2003-04 (from 2002-03 enacted). The Governor's budget proposal assumes that student fee revenue will be available to offset the proposed reductions.

COMMENTS:

At this time, there are no major issues with the Governor's proposed budget for Hastings College of Law. Staff would note that with respect to fee increases Hastings College chose not to impose a fee increase on students in the current year in contrast to UC and CSU. For 2003-04, Hastings proposes to increase fees for new students by 35 percent but only by 28 percent for continuing students. Hastings indicates that the additional revenue from the fee increase will allow the college to backfill the majority of the proposed General Fund reductions. The Subcommittee may need to revisit the proposed budget for Hastings during May when the state's fiscal situation will be clearer and consider appropriate adjustments.

7890 CALIFORNIA STUDENT AID COMMISSION

ISSUE 1: SUPPORT BUDGET

The issue for the Subcommittee to consider is the California Student Aid Commission's support budget.

BACKGROUND:

The California Student Aid Commission's (CSAC) mission is making education beyond high school financially accessible to all Californians. The Student Aid Commission provides financial aid to students through a variety of grant, loan, and work-study programs.

The Governor's proposed budget for the Commission includes state and federal funds totaling \$1.4 billion in expenditures, which reflects a \$78 million or 13 percent increase above estimated current-year expenditures. Of this amount, \$699 million is General Fund support. Of the total General Fund appropriation, 99 percent is for direct student aid for higher education and 1 percent is for the cost of operating the commission. The table below summarizes the Governor's proposed changes the Commission's budget.

Student Aid Commission General Fund Budget Summary				
<i>(Dollars in Millions)</i>				
	2002-03 Revised	2003-04 Proposed	Change From 2002-03	
			Amount	Percent
State Operations	\$9.9	\$7.7	-\$2.2	-22%
Local Assistance				
New Cal Grant entitlement awards	\$263.1	\$424.3	\$161.2	61%
New Cal Grant competitive awards	88.6	104.4	15.7	18
Existing awards	225.0	130.0	-95.0	-42
Subtotals, Cal Grant awards	(\$576.7)	(\$658.7)	(\$82.0)	(14%)
Cal Grant C awards	\$12.1	\$8.9	-\$3.2	-26%
Cal Grant T awards	6.0	3.0	-3.0	-50
APLE ^a program	20.5	30.0	9.5	46
Graduate APLE program	0.2	0.5	0.3	130
Work study	5.3	—	-5.3	-100
Law enforcement scholarships	0.1	0.1	0.1	103
Federal Trust Fund ^b	-9.5	-9.5	—	—
Totals, local assistance	\$611.3	\$691.7	\$80.4	13%
Grand Totals	\$621.3	\$699.4	\$78.2	13%

^a Assumption Program of Loans for Education.
^b Federal Trust Fund monies directly offset Cal Grant program costs.

Specifically, the Governor's Budget proposes an increase of \$82 million (14 percent) over the current year expenditures for the Cal Grant Program. Following are the major adjustments to the Cal Grant Program proposed by the Governor:

- Augment the Cal Grant A and B programs by \$43 million to cover proposed student fee increases at the University of California and California State University.
- Increase the total number of Cal Grants available (by 41,045 for a total of 234,485 new and renewal grants) based on new estimates of eligible high school graduates, transfer students and renewal applicants increasing expenditures by \$49 million.
- Decrease the maximum Cal Grant award level for students attending private institutions saving the state \$10.2 million.
- Decrease the number of awards annually awarded for the Cal Grant C programs from 10,730 to 7,690 saving the state \$3.2 million.

Other proposed adjustments to the Commission's budget include a \$9.5 million increase in the funding available for the Assumption Program of Loans for Education Program (APLE). This funding adjustment is due to an increase in the number of students redeeming previously approved loan forgiveness warrants in the coming year. The Governor also proposes a reduction of \$5.3 million through the elimination of the Work-Study Program.

COMMENTS:

Background on Cal Grant Entitlement Program. Chapter 403, Statutes of 2000 (SB 1644, Ortiz), significantly expanded and revised the existing Cal Grant program by creating three distinct programs: (1) an entitlement program for recent high school graduates, (2) an entitlement program for younger community college students transferring to four-year universities, and (3) a competitive program for older and returning students. Within each of these three programs, students may receive either a Cal Grant A or a Cal Grant B award depending on their grade point average (GPA) and their family's income and assets. The table below summarizes the eligibility criteria for the Cal Grant entitlement program. Cal Grant A awards cover education fees and tuition (up to \$9,708 in 2002-03). Cal Grant B awards provide a subsistence allowance of \$1,551 in a student's first year of college. In the remaining years of college, Cal Grant B recipients receive the \$1,551 subsistence allowance as well as fee assistance (up to \$9,708 in 2002-03).

Eligibility Criteria for Cal Grant Entitlement Program		
Eligibility requirement	Cal Grant A	Cal Grant B
Minimum high school GPA	3.0	2.0
Minimum transfer GPA	2.4	2.4
Income ceiling, by family size ^a		
Six +	\$76,500	\$42,000
Four	66,200	34,800
Two	59,400	27,800
Asset Ceiling ^a	\$51,200	\$51,200
^a Represents ceilings for dependent students and independent students with dependents other than a spouse. A family's asset level excludes its principal residence.		

Under the entitlement programs, students must be recent high school graduates younger than 24 years old. Students who do not qualify for entitlement awards still may receive financial aid under the competitive Cal Grant program. The Commission assigns a score to each student applying for a competitive award using several factors—including GPA, family income and household size, household status, parents' educational level, and social and educational background (such as having divorced parents or graduating from a high school with a large proportion of students participating in the free or reduced-price lunch program). Each year, the score needed to obtain an award depends on the number of applicants and the characteristics of the applicant pool. Chapter 403 authorizes the commission to issue 22,500 new competitive awards each year.

Issues with Governor's Proposed Budget. Staff notes the following issues with the Governor's proposed changes to the Student Aid Commission's Budget:

- **Reduce the Cal Grant C Program (-\$3.2 million).** The Cal Grant C program provides financially-needy students preparing for vocational or occupational careers with tuition/fee assistance (up to \$2,592) as well as additional support (up to \$576) for training-related costs such as tools, books, and supplies. Unlike the Cal Grant A and B programs, which require students to be pursuing a baccalaureate degree, the Cal Grant C program is the only state-supported grant program that provides funds to students enrolled in shorter-term vocational programs. Of the Cal Grant C participants, approximately 60 percent are enrolled at the Community Colleges; the remainder attend private vocational schools.

The Governor's 2003-04 Budget proposes to decrease funding for the Cal Grant C program by \$3.2 million or 26 percent. This would reduce the total number of awards by 3,040 (from 10,730 to 7,690; of this amount 4,125 are renewal awards and 3,565 would be available for new recipients.) Staff notes that this is the only financial aid program targeted at short-term vocational training. Given the current condition of the state's economy, which tends to result in an increased need for vocational training, it is unclear why the Governor would target a reduction in this program.

- **Reduce the Maximum Cal Grant award for students attending private institutions (-\$10.2 million).** Depending on the type of educational institution a Cal Grant recipient elects to attend, the amount of the Cal Grant A or B award varies. The award is "valued" at the cost of mandatory systemwide fees at the University of California (UC) and California State University (CSU), while students attending private colleges receive up to \$9,708 (in the current year) to assist in the payment of their tuition.

The Governor's Budget proposes to reduce the maximum Cal Grant award for student attending private colleges by 9 percent, generating \$10.2 million in General Fund savings. The maximum award amount would thus be reduced from its current level of \$9,708 to \$8,832 for new Cal Grant recipients. Renewal recipients would continue to receive their awards at the current level of \$9,708. The Legislative Analyst recommends that the Legislature reject the Governor's proposal to reduce the Cal Grant award for students attending private colleges because these awards, in many cases, may provide the state with fiscal advantages and strengthen educational accountability among public universities. Staff notes that a decrease in the maximum award level will likely result in more students being dependent upon student loans.

- **Tuition and fee assistance to first-year Cal Grant B recipients (\$95 million).** Current law provides that students receiving a Cal Grant B award receive a subsistence stipend of

\$1,551 during their first year of college; in the second, third and fourth years, the student receives both the stipend and financial aid to cover student fees and/or tuition (up to the maximum award level of \$9,708 for students attending private institutions). The LAO does note that current law allows for up to 2 percent of the Cal Grant B recipients to receive tuition/fee assistance in their first year, but only for the most financially needy and academically meritorious of the Cal Grant B recipients. The LAO is recommending that this policy be changed and that funds be appropriated to provide fee/tuition assistance to first-year Cal Grant B recipients.

Initially, when the original Cal Grant B program was established, there was an assumption that fee/tuition assistance in the first year wasn't necessary. At that time the law required that a specified percentage of Cal Grant B recipients attend a community college, where, given a students' financial need, their fees would be waived under the Board of Governor's (BOG) Fee Waiver Program. When the Cal Grant program was revamped into an entitlement program (Chapter 403, Statutes of 2000) the new statutes failed to include a fee/tuition component in the first year, due primarily to the costs (approximately \$95 million) associated with the change. While a significant number (approximately 42 percent) of the Cal Grant B awards are still granted to community college students, 32 percent are awarded to students attending a CSU campus; 19 percent to UC students; and 8 percent to students attending private institutions.

- **Reduce the Cal Grant T Program (-\$3.0 million).** The Cal Grant T program provides tuition and fee funding for financially- and academically-eligible students to attend a teacher credentialing program. Recipients are required to teach for one year in a low-performing school for each \$2,000 received, for a maximum period of four years. Any recipient who does not fulfill the teaching obligation is required to repay the award.

The Governor's budget provides \$3 million for the Cal Grant T program, which is 50 percent less than the estimated current-year expenditures. This would reduce the number of awards by 540 (from 1,390 to 850). The LAO notes that since its inception, the Cal Grant T program has never been fully subscribed. Whereas the Commission was authorized to fund 3,000 awards in 2001-02, only 1,739 students utilized the program. In 2002-03, the state reduced the Cal Grant T appropriation to better align it with expenditures. While the LAO does not make a specific recommendation related to this program, they do note that there are a variety of sources of financial aid for would-be teachers. For example, the state already funds the Assumption Program of Loans for Education (APLE) program, as well as providing Cal Grant recipients with aid for a fifth year of study if they enroll in a teacher preparation program. Further, the Analyst points out that the federal government also funds two loan-forgiveness programs for teachers.

- **Eliminate the California Work-Study Program (-\$5.3 million).** The California Work-study Program assists students by placing them in employment settings which will enable them to pay a portion of their educational costs. Under this program, the state and the employers each pay for a portion of the students' salaries. Recipients are placed in jobs either (1) related to their course of study or career interest, or (2) providing tutoring to elementary or secondary school students. The program currently operates at 40 institutions and provides support to over 3,000 students. In 2002-03, the Student Aid Commission notes that all the funds for the program will be used. The Governor's 2003-04 Budget proposes to eliminate the state's Work Study Program, thereby achieving \$5.3 million in General Fund savings. Staff notes that, without this financial aid option, students will be more dependent upon student loans.

- **Proposed Budget Bill language to decrease the number of authorized APLE warrants in 2003-04.** The APLE program seeks to encourage individuals to pursue careers in teaching by issuing warrants (commitments to pay) and then forgiving \$11,000 in college loans if they teach full time in a public K-12 school for four consecutive years. Teachers may receive an additional \$4,000 in loan forgiveness if they teach in a subject-shortage area (such as mathematics, science or special education), or if they teach in a school ranked in the bottom two deciles of the Academic Performance Index. Individuals who elect to teach in both a targeted school and a targeted subject area can have up to \$19,000 in college loans forgiven. In all cases, the student must have accrued student loan debt in order to reap the benefits of this program.

The Governor proposes to decrease the number of APLE warrants issued in 2003-04 by 1,000 (from 7,500 to 6,500 which is the same number of warrants authorized in 2001-02). The savings associated with this decrease would not be realized for at least two years, given that students must first complete their teacher preparation program and then teach in the classroom for one year before loans begin to be repaid.