



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- END -

I hereby certify that the within bill,
HB 509, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2025.

President of the Senate

Signed this _____ day
of _____, 2025.

HOUSE BILL NO. 509

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

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