



Arizona Commission for Postsecondary Education

... expanding access and increasing success
in postsecondary education for Arizonans

Annual Report for the Arizona Teacher Student Loan Program

Fiscal Year 2018 - 2019



Arizona Commission for Postsecondary Education

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November 26, 2019

The Honorable Doug Ducey, Governor
The Honorable Katie Hobbs, Secretary of State
The Honorable Karen Fann, President of the Senate
The Honorable Russell Bowers, Speaker of the House of Representatives

On behalf of the Arizona Commission for Postsecondary Education (ACPE), I respectfully submit the enclosed annual report for the Arizona Teacher Student Loan Program formerly known as the Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE). The ACPE Commissioners and staff remain committed to investing themselves in the work of higher education through their mission of *increasing access and expanding success in postsecondary education for Arizonans*. This report reflects that commitment.

Established in the 2007 legislative session, the MSSE Program was designed to solve two problems: (1) an Arizona teacher shortage in specific areas and (2) novice teachers leaving the profession due to burdensome loan debt and modest pay. During the 2017 Fifty-Third Legislature, First Regular Session, Senate Bill 1040 made significant changes along with renaming the program to the Arizona Teacher Student Loan Program. The program changes described in the report became effective in FY 2018. In addition, this report includes a description of the program, the number of applicants, the number of loan recipients, the qualifying institutions they attended, the name of the K-12 school where loan recipients are employed, and the number of good cause exceptions requested/granted.

The Arizona Teacher Student Loan Program is designed to attract quality students into teaching preparation programs who will take on the mission of service in order to repay their obligation. The report outlines the success of the program in attracting and retaining teachers in the fields most needed. Based upon this success, the Commission makes a request for increased funding of \$312,400.

A copy of the annual report and more detailed information about the Arizona Commission for Postsecondary Education, its administrative functions, initiatives and its collaboration and partnerships are available on <https://highered.az.gov> or by contacting our office at 602.542.7230.

Respectfully Submitted,

A handwritten signature in cursive script that reads "April L. Osborn".

Dr. April L. Osborn, Executive Director
Arizona Commission for Postsecondary Education

cc: Brook White, Senate Senior Policy Advisor
Roxanna Pitones, Senate Education Policy Advisor
Brendan Foland, House Education Policy Advisor
Kelsey Jahntz, House Majority Policy Advisor
Chase Houser, House Research Analyst
Alexis Pagel, JLBC Fiscal Analyst
Jacob Wingate, OSPB Budget Analyst
Susan Leach-Murray, Librarian, AZ Library, Archives, and Public Records

**The Arizona Commission for Postsecondary Education (ACPE)
Arizona Teacher Student Loan Program
FY 2018-2019 Annual Report**

Submitted November 26, 2019
Dr. April L. Osborn, Executive Director

Introduction and Description of the Program

The Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE) was created in 2007. During the 2017 Fifty-Third Legislature, First Regular Session, Senate Bill 1040 made significant changes along with renaming the program to the Arizona Teacher Student Loan Program (ATSLP). Effective FY 2018, the changes were:

1. Elimination of the service area of teaching in elementary schools that are located in geographic areas that are experiencing a shortage of teachers,
2. Inclusion of three additional service areas: low-income schools, rural schools, or schools located on an Indian reservation,
3. Inclusion of students who are pursuing a teaching certificate through an alternative teacher certificate program as eligible students for the forgivable loan,
4. Inclusion of students who have a bachelor's degree and are in an alternative teacher certification program as eligible students for the forgivable loan, and
5. The allocation of forty percent of the annual amount appropriated to students who agree to provide instruction in a low-income school, rural school, or a school located on an Indian reservation.

During FY 2019, this student-centered, need-based forgivable loan was designed to increase the number of teachers in Arizona's public K-12 system in the following areas: math, science, special education, low-income schools, rural schools, or schools located on an Indian reservation. The forgivable loan supports and encourages Arizona resident college students to take on a mission of service in order to repay their obligation by pursuing a teaching career in identified high need areas and to remain in the State after graduation. Forgivable loans to help defray the cost of tuition, fees, and instructional materials were granted to eligible junior or senior undergraduate education majors and students enrolled in an alternative teacher certificate program offered at qualifying postsecondary education institutions in the State. Additionally, students must complete the Free Application for Federal Student Aid (FAFSA). The maximum forgivable loan is \$7,000 per academic year for up to three years. To have the loan forgiven, students must sign a promissory note each year agreeing to teach in select service areas in a public K-12 school in Arizona for the number of years they received the loan funding plus one year. The selected service areas in FY 2019 are math, science, special education, or a low-income school, rural school, or a school located on an Indian reservation. Students who do not meet the forgiveness criteria must repay the amount borrowed plus any interest.

Who Benefited from the Forgivable Loan?

In FY 2019 ATSLP loans were disbursed to 81 students, 50 loans to initial recipients (1st time recipients) and 31 loans to continuing recipients (prior recipients). The loan recipients attended both public and private postsecondary institutions for a total disbursement of \$411,624.52. The table below provides a student profile for those who received loans in FY 2019.

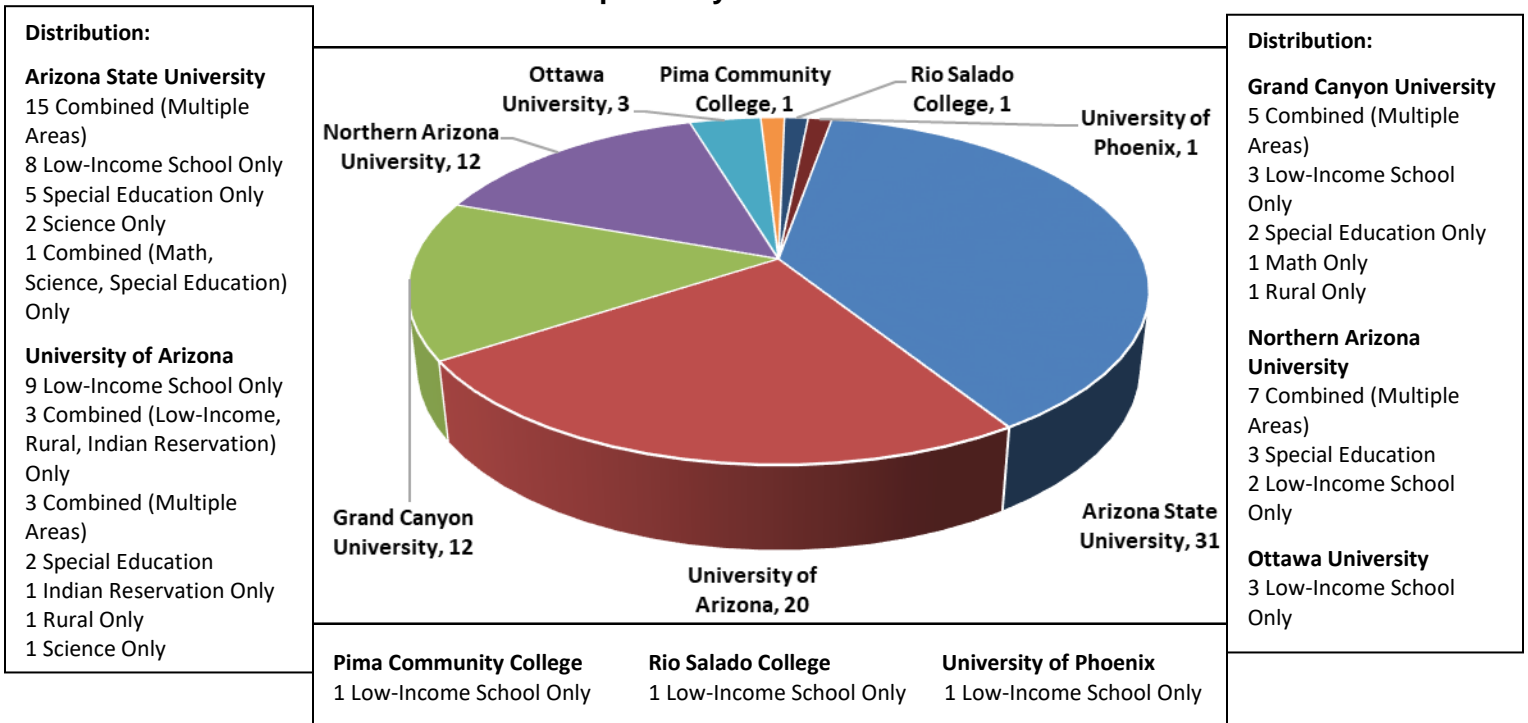
ATSLP FY 2019 Student Profile

Total Applicants	Total Recipients	Total Disbursement	Average Loan Amount	Average Age of Recipients	Initial Recipients	Continuing Recipients	Good Cause Exceptions
115	81	\$411,624.52	\$5,082	30	50	31	0

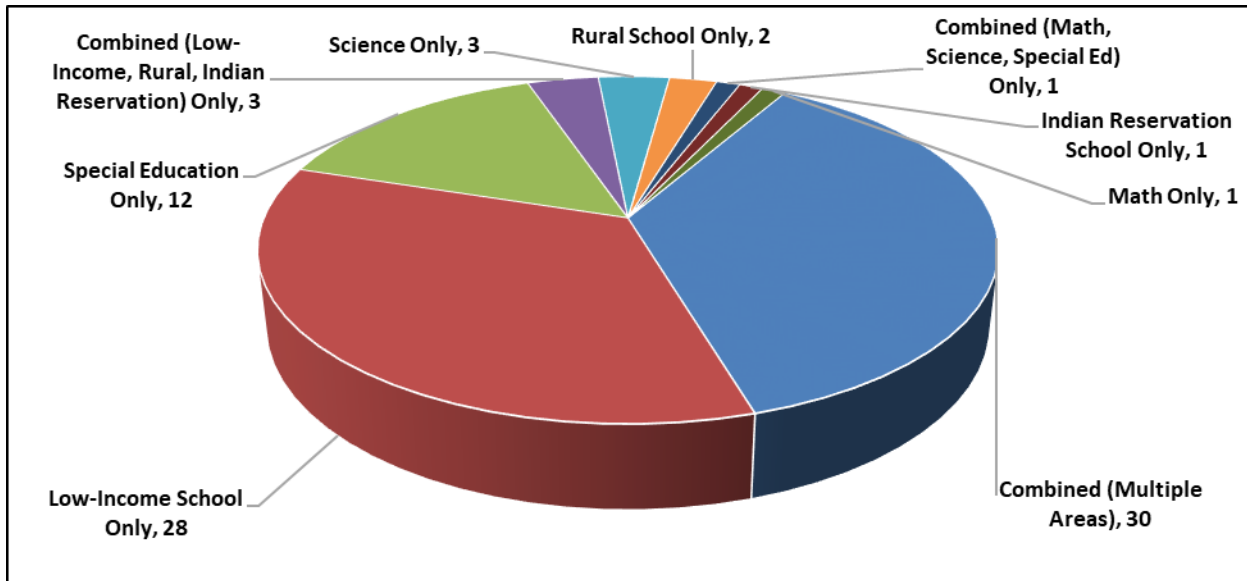
The difference between the total applicants and the total recipients is comprised of thirty-four applicants who did not meet program requirements.

The following pie charts represent a breakout of the institutions the 81 loan recipients attended and the areas recipients indicated that they would be teaching.

Recipients by Institution in FY 2019



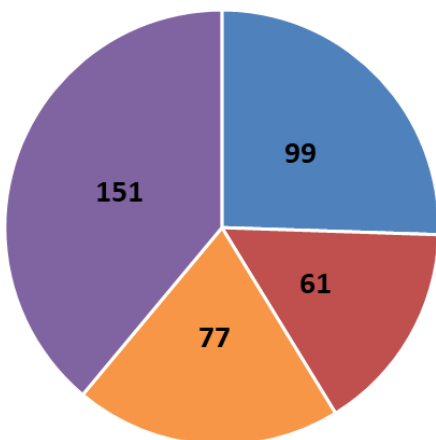
Recipients by Subject/Location in FY 2019



Status of Recipients in ATSLP from Inception through FY 2019

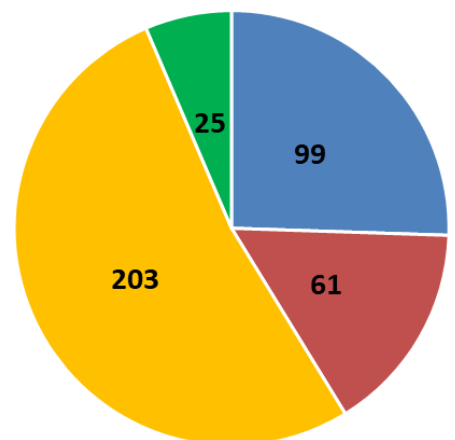
Tracking responsibilities are significant for ATSLP as each loan recipient is required to be tracked between seven to eleven years, depending on the number of years each student received funding. For students who enter into repayment, the relationship can increase up to 15 years. With the conclusion of FY 2019, 388 students have participated in ATSLP since its inception in 2007.

History of ATSLP Loan Recipients



Teaching Status

- Student Teacher or in a 1 Year Grace Period
- Recipients Who Are or Have Been in Repayment
- Forgiven Teachers No Longer Teaching
- Teachers Who Are Teaching
- Loan Forgiven
- Finishing Out Loan Obligation



Loan Status

In the graphs above 228 (58.8%) loan recipients are or have been teachers. Of those 228 teachers 203 (52.3%) have had their loan forgiven, while 25 (6.4%) are still working on loan forgiveness, with the prospect of an additional 99 (25.5%) loan recipients becoming teachers.

In FY 2020 the Commission will continue collecting the five-year teacher retention data for the 80 individuals whose loans have been forgiven through teaching.

The following is a list of the public K-12 schools in Arizona at which the 25 currently teaching loan recipients are employed.

**K-12 Schools where ATSLP (MSSE) Graduates Served
their Teaching Obligation in FY 2019**

School	School City	Subject Taught
Collier Elementary	Avondale	Science
Conley Elementary School	Chandler	Special Education
Eva Marshall Magnet Elementary	Flagstaff	Special Education
Mountain School	Flagstaff	Elementary Education - Geo Shortage
Williams Field High School	Gilbert	Math
Glendale Success Academy	Glendale	Math
Sunset Elementary	Glendale	Elementary Education - Geo Shortage
Wildflower Elementary School	Goodyear	Elementary Education - Geo Shortage
Continental Elementary School	Green Valley	Special Education
Eisenhower Ctr for Innovation	Mesa	Special Education
Cotton Boll Elementary	Peoria	Special Education
Peoria Accelerated High School	Peoria	Math & Special Education
Academia Del Pueblo	Phoenix	Elementary Education - Geo Shortage
Alfred F Garcia Elementary	Phoenix	Elementary Education - Geo Shortage
Carl Hayden High School	Phoenix	Special Education
Paseo Hills Elementary	Phoenix	Special Education
Pinnacle High School	Phoenix	Special Education
Sunnyslope High School	Phoenix	Science
Curry Elementary School	Tempe	Special Education
Thatcher High School	Thatcher	Math
Cavett Elementary	Tucson	Special Education
Centennial Elementary	Tucson	Low Income School
Pima Prevention Partnership	Tucson	Special Education
Senita Valley Elementary	Tucson	Elementary Education - Geo Shortage
Yuma High School	Yuma	Math

Conclusion

ATSLP provides an important vehicle to shape student choices and bring new teachers to the profession in order to meet Arizona’s teacher shortage needs. The program is designed to contribute to the teacher pipeline by financially assisting quality students already in teaching preparation programs:

- Who are enrolled at public postsecondary institutions but are not supported by the Arizona Teachers Academy,
- Who are enrolled at private postsecondary institutions,
- Who are enrolled in Alternative Certification Programs, and
- Who will take on the mission of service in order to repay their ATSLP obligation.

Service can be accomplished in one of four ways:

- Teach in a low-income public school (sixty percent or more of the students are eligible for free or reduced price lunches),
- Teach in a rural county public school (a public school in this state that is located in a county with a population of less than three hundred thousand persons),
- Teach in an Arizona public school on an Indian reservation, or
- Teach in the fields of Math, Science, or Special Education in a public school in Arizona.

Teacher recruitment and retention contributes significantly to school success and Arizona is struggling in this area. For example, the August 30, 2019 Human Resources Professionals in Arizona Schools Survey¹ data clearly defined critical issues related to teacher shortages and retention. First, 20.78% or 1,443 teacher positions remained vacant a few weeks into the 2019-2020 school year. Even more astonishing, the survey reported that 48.33%, or 3,357 teacher positions were filled by individuals who did not meet standard teaching requirements. Furthermore, the survey indicates that 427 teachers severed their employment as of August 30th.

Additionally, the U.S. Department of Education’s nationwide Teacher Shortage Areas² report indicates that for the 2019-2020 school year Arizona is experiencing a shortage of teachers in the following areas.

Subject Matter	Discipline	Grades
English as a Second Language	Bilingual Education	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
English as a Second Language	English as a Second Language	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
Language Arts	English	5, 6, 7, 8
Mathematics	Basic and Advanced Mathematics	5, 6, 7, 8
Science	Biological Sciences	9, 10, 11, 12
Science	Chemistry	9, 10, 11, 12
Science	Earth and Space Science	9, 10, 11, 12

¹ August 2019. “Human Resources Professionals in Arizona Schools Survey.” Arizona School Personnel Administrators Association.

² “Teacher Shortage Areas.” U.S. Department of Education. <https://tsa.ed.gov/#/home/>

Science	General Science	5, 6, 7, 8
Science	General Science	9, 10, 11, 12
Science	Physical Science	9, 10, 11, 12
Science	Physics	9, 10, 11, 12
Social Studies	American Government	9, 10, 11, 12
Social Studies	Government	5, 6, 7, 8
Special Education	Cognitive Disability	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
Special Education	Cross Categorical	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
Special Education	Early Childhood	Pre-K, K, 1, 2, 3
Special Education	Emotionally Disabled	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12
Special Education	Severely and Profoundly Handicapped	Pre-K, K, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

The severity of the teacher shortage is clearly illustrated in this data. The shortage of qualified teachers in Arizona’s workforce pipeline negatively affects Arizona’s K-12 students every day.

Unfortunately, the FY 2019 level of appropriations for the ATSLP program will not solve the shortage. In FY 2020, the Commission requested the increase of \$312,400 for a total of \$738,400 in FY 2021. This includes one full time employee at \$60,900 and one computer for \$1,500. The increase in funding will reach an additional 30-40 teachers in-training annually.

The increase in funding for this program will aid the State in meeting the Governor’s education goals and will contribute to the Achieve60AZ overall goal of 60% of Arizona working adults holding a degree or certificate. The Commissioners and staff are honored to provide financial aid to this cadre of teachers who are critical to the success of the Governor’s goal of addressing the growing teacher shortage in our State.