

Arizona Commission for Postsecondary Education

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

Annual Report for the Arizona Teacher Student Loan Program (formerly the) Math, Science, and Special Education Teacher Loan Forgiveness Program

Fiscal Year 2016 - 2017



Arizona Commission for Postsecondary Education

2020 North Central, Suite 650

Phoenix, Arizona 85004

Tel: (602) 258-2435 | Fax: (602) 258-2483

Email: acpe@azhighered.gov | Website: <https://highered.az.gov>

December 1, 2017

The Honorable Doug Ducey, Governor
The Honorable Steve Yarbrough, President of the Senate
The Honorable Javan Mesnard, Speaker of the House of Representatives
The Honorable Michele Reagan, Secretary of State
Susan Leach-Murray, State Documents Librarian, AZ Library, Archives, and Public Records

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.

Elements of this report include 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. In the conclusion the Commission makes a request for increased funding of \$562,400.

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 a 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 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 new program changes become effective in FY 2018. This loan forgiveness program is helping in a small way with the teacher shortages, but the \$176,000 provided in FY 2017 is inadequate to successfully provide a solution.

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 is available from the website <https://highered.az.gov> or by contacting our office at 602.258.2435.

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: Brandi Lease, Senate Education Research Analyst
Morgan Dorcheus, JLBC Fiscal Analyst
Ashley Beason, OSPB Budget Analyst
Aaron Wonders, House Education Research Analyst

**The Arizona Commission for Postsecondary Education (ACPE)
Arizona Teacher Student Loan Program
Formerly the
Math, Science, and Special Education Teacher
Loan Forgiveness (MSSE) Program
FY 2016-2017 Annual Report**

Submitted December 1, 2017
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. Effective FY 2018, the new changes are:

1. Elimination of the service area of teaching in elementary schools that are located in geographic areas that are experiencing a shortage of teachers and replacement with service areas that are low-income schools, rural schools, or schools located on an Indian reservation,
2. Inclusion of students who are pursuing a teaching certificate through an alternative teacher certificate program as eligible students for the loan,
3. Inclusion of students who have a bachelor's degree and are in an alternative teacher certification program as eligible students for the loan, and
4. 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 2017, this student-centered, need-based forgivable loan was designed to increase the number of math, science, and special education teachers in the public K-12 system in Arizona by financially supporting and encouraging Arizona resident college students to pursue a teaching career in identified high need fields and to remain in the State after graduation. Forgivable loans were granted to eligible junior or senior students attending a qualifying public university or private college/university in the State to help defray the cost of tuition, fees and instructional materials. 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 subject areas in a public K-12 school in Arizona for the number of years they received the loan funding plus one year. The selected subject areas in FY 2017 are math, science, special education, or elementary education in a geographic area in the state experiencing a shortage of teachers. Students who do not meet the forgiveness criteria must repay the amount borrowed plus any interest.

Who Benefited from the Forgivable Loan?

In FY 2017 MSSE loans were disbursed to 31 students, 22 loans to initial recipients (1st time recipients) and 9 loans to continuing recipients (prior recipients). The loan recipients attended both public and private postsecondary institutions for a total disbursement of \$168,651. The table below provides a student profile for those who received loans in FY 2017.

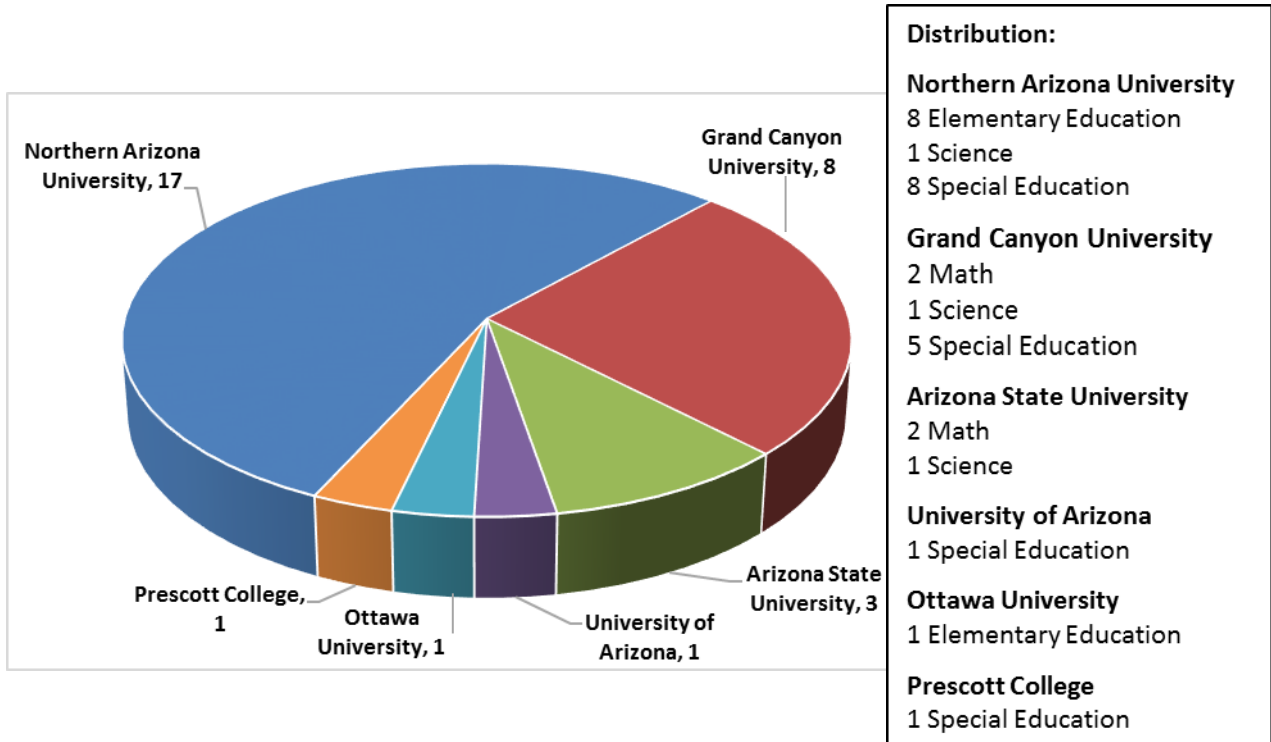
MSSE FY 2017 Student Profile

Total Applicants	Total Recipients	Total Disbursement	Average Loan Amount	Average Age of Recipients	Initial Recipients	Continuing Recipients
49	31	\$168,651	\$5,440	30	22	9

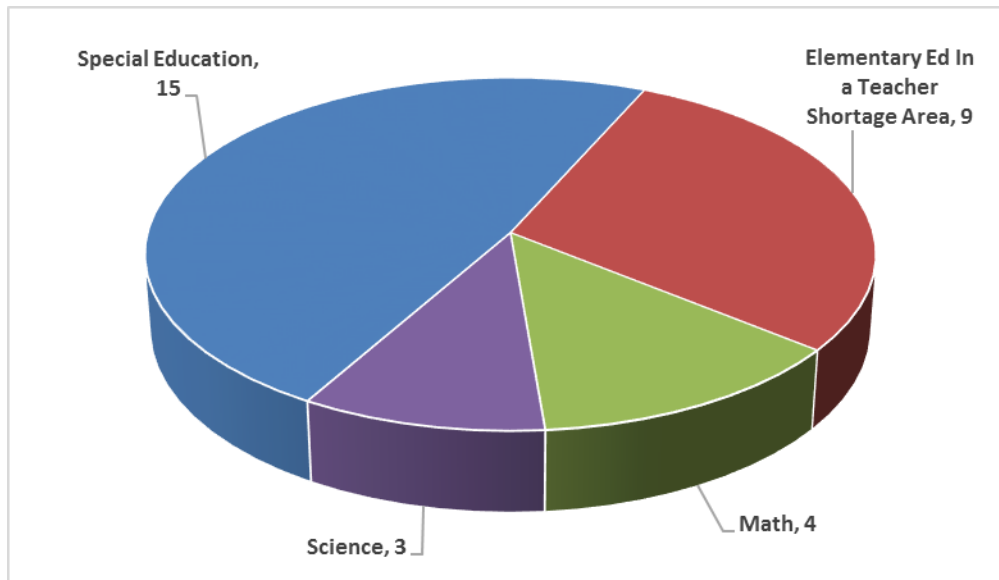
The difference between the total applicants and the total recipients is comprised of ten applicants who did not meet program requirements and eight applicants not awarded due to the lack of funds.

The following pie charts represent a breakout of the institutions the 31 loan recipients attended and the recipient's degree programs.

Recipients by Institution



Recipients by Degree Program



Status of Recipients in MSSE Program from Inception through FY 2017

Tracking responsibilities are significant for the MSSE Program 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 2017, 289 students have participated in the MSSE Program since its inception in 2007. Below is a listing of the current status of the recipients.

- 23 are still enrolled in a postsecondary institution
- 20 are in their twelve-month grace period (as allowed by statute)
- 25 are currently teaching in a public K-12 school in Arizona
- 70 have had their loan forgiven by completing their teaching service and are teaching in Arizona
- 3 have had their loan forgiven by completing their teaching service and are teaching outside of Arizona
- 28 have had their loan forgiven by completing their teaching service and are no longer teaching
- 29 are currently in repayment
- 22 have had their loan repayments referred to the Attorney General
- 10 have paid their loan balance in full
- 59 have completed the retention tracking cycle

In FY 2018 the Commission will continue collecting the five-year teacher retention data for the 101 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 MSSE Graduates Served their Teaching Obligation in FY 2017

School	City	Subject Taught
Four Peaks Elementary	Apache Junction	Special Education
Casteel High School	Chandler	Special Education
Pomeroy Elementary	Chandler	Special Education - Eng SLD
Primavera Online High School	Chandler	Math Resource
San Marcos Elementary	Chandler	Special Education
Mesa View Elementary	Chinle	Special Education
Cottonwood Elementary School	Cottonwood	Elem Education -Geo Shortage
Coconino High School	Flagstaff	Math-Science
Trailside Point School	Laveen	Special Education
Washington Elementary	Mesa	Elementary Education
Peoria Accelerated High School	Peoria	Math
Academia Del Pueblo	Phoenix	Elementary Subjects
Amy Houston Academy	Phoenix	Special Education
Creighton Schools	Phoenix	Special Education
Montebello	Phoenix	Science
Thunderbird High School	Phoenix	Special Education
Cocopah Middle School	Scottsdale	Science
Show Low Jr High School	Show Low	Math
Tonopah Valley High School	Tonopah	Science
Centennial Elementary	Tucson	Science
Cholla High School	Tucson	Special Education
Donaldson	Tucson	Special Education
Esperanza Elementary School	Tucson	Special Education
Rincon High School	Tucson	Math
Tucson High Magnet School	Tucson	Math

The limited annual appropriation for the MSSE program has caused the Commission to consider an automated application in AZ Grants System and companion tracking and repayment software. The ACPE and staff are assessing the cost and benefits of an automated system. However, such a system would undoubtedly allow the small ACPE staff to better handle the granting, tracking, and repayment processes. Additionally, due to the limited annual appropriation in FY 2017 no advertising or promotion for the program has been undertaken while the number of applications submitted annually consistently exceeds the number of applications that can be funded.

Conclusion

The Commission staff believes that the MSSE program provided an important vehicle to shape student choices in order to meet Arizona’s teacher shortage needs. Additionally, the staff believes that the updated Arizona Teacher Student Loan Program will support the recruitment of teachers in public schools and support the Governor’s investment in education. 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.

Unfortunately, the FY 2017 level of appropriations for the MSSE program will not solve the shortage. According to a report published in May 2017, 42% of Arizona teachers hired in 2013 left the profession within three years. Additionally, 74% of Arizona school administrators surveyed indicated that their campuses are experiencing a teacher shortage.¹

In FY 2018, the Commission received an increase of \$250,000 for a total of \$426,000 in funding for the Arizona Teacher Student Loan Program. Additionally, the Commission has requested the increase of \$562,400 for a total of \$988,400 in FY 2019. This includes one full time employee at \$60,900 and one computer for \$1,500. The increased funding of \$500,000 will allow an additional 82-90 recipients to receive an award.

The Commissioners and staff look forward to helping increase the number of teachers in Arizona. The increase in funding for this program will aid the State in meeting the Governor's education goals.

¹ Dan Hunting, et al., *Finding & Keeping Educators for Arizona's Classroom* (Morrison Institute for Public Policy, 2017), https://morrisoninstitute.asu.edu/sites/default/files/content/products/AZ%20TEACHERS%20REPORT%202017_0.pdf