

Arizona Commission for Postsecondary Education

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

Annual Report for Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE)

Fiscal Year 2015 - 2016



Arizona Commission for Postsecondary Education

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December 1, 2016

The Honorable Doug Ducey, Governor
The Honorable Andy Biggs, President of the Senate
The Honorable David Gowan, Sr., Speaker of the House of Representatives
The Honorable Michele Reagan, Secretary of State
Marilyn Howard, State Documents Librarian, AZ Library, Archives, and Public Records

I respectfully submit the enclosed annual report for the Math, Science, and Special Education Teacher Loan Forgiveness Program (MSSE) on behalf of the Arizona Commission for Postsecondary Education (ACPE). 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 MSSE graduates 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. This loan forgiveness program is helping in a small way with these shortages, but the \$176,000 currently provided 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: Reed Spangler, Senate Education Research Analyst
Morgan Dorcheus, JLBC Fiscal Analyst
Katie Simmons, OSPB Budget Analyst
Sharon Carpenter, House Government and Higher Education Committee Research Analyst

**The Arizona Commission for Postsecondary Education (ACPE)
Math, Science, and Special Education Teacher
Loan Forgiveness (MSSE) Program
FY 2015-2016 Annual Report**

Submitted December 1, 2016
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. 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 these identified high need fields and to remain in the State after graduation.

Forgivable loans are 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 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 loan funds plus any interest.

Who Benefited from the Forgivable Loan?

In FY 2016 MSSE loans were disbursed to 26 students, 13 loans to initial recipients (1st time recipients) and 13 loans to continuing recipients (prior recipients). The loan recipients attended both public and private postsecondary institutions for a total disbursement of \$163,625.

The table below provides a student profile for those who received loans in FY 2016.

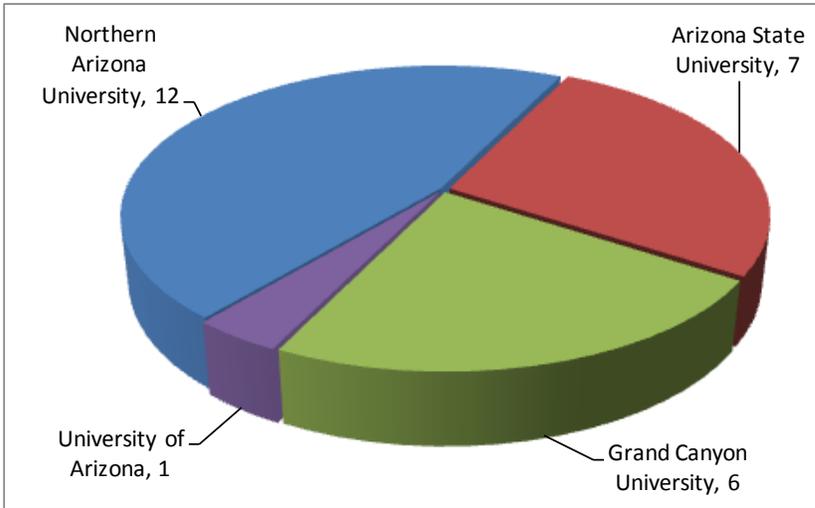
MSSE FY 2016 Student Profile

Total Applicants	Total Recipients	Total Disbursement	Average Loan Amount	Average Age of Recipients	Initial Recipients	Continuing Recipients
49	26	\$163,625	\$6,293	30	13	13

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

The following pie charts represent a breakout of the institutions the 26 loan recipients attended and the recipient's degree programs.

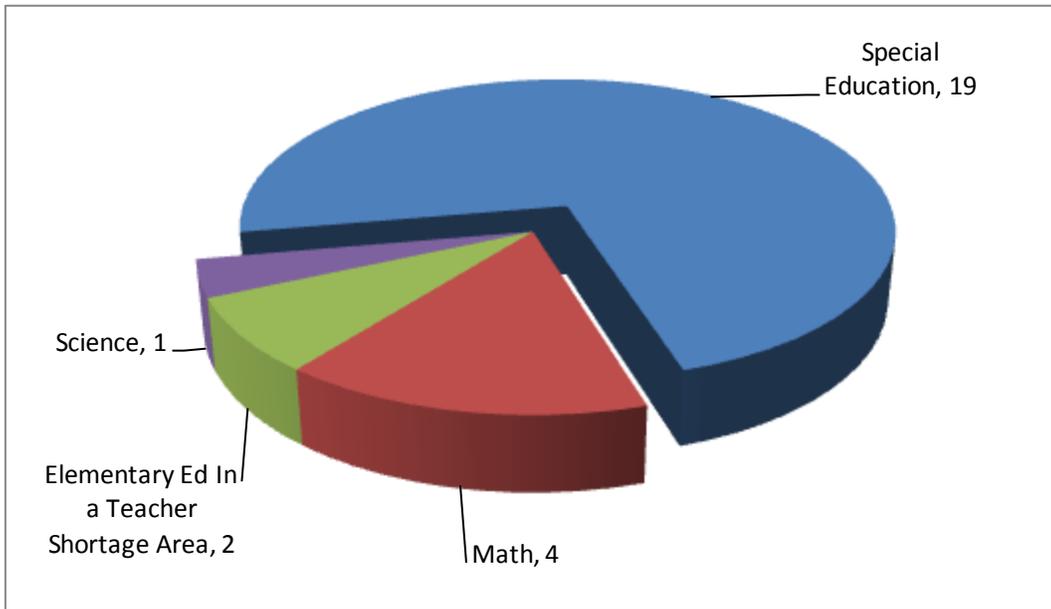
Recipients by Institution



Distribution:

Northern Arizona University	1 Elementary Education
	11 Special Education
Arizona State University	3 Math
	1 Science
	3 Special Education
Grand Canyon University	1 Elementary Education
	1 Math
	4 Special Education
University of Arizona	1 Special Education

Recipients by Degree Program



Status of Recipients in MSSE Program from Inception Through FY 2016

Tracking responsibilities are significant for the MSSE Program for each loan recipient is required to be tracked between seven to eleven years. For students who enter into repayment, the relationship can increase to 15 years. With the conclusion of FY 2016, 275 students have participated in the MSSE Program since inception in 2007. Below is a listing of the current status of the recipients.

- 26 are still enrolled in a postsecondary institution
- 14 are in their twelve month grace period (allowed by statute)
- 22 are currently teaching in a public K-12 school in Arizona
- 72 have had their loan forgiven for completing their teaching service and are teaching in Arizona
- 6 have had their loan forgiven for completing their teaching service and are teaching outside of Arizona
- 37 have had their loan forgiven for completing their teaching service and are no longer teaching
- 41 are currently in repayment
- 16 have had their loan repayments referred to the Attorney General
- 10 have paid their loan balance in full
- 31 have completed the retention tracking cycle

In FY 2017 the Commission will continue collecting the five year teacher retention data for the 115 individuals whose loans have been forgiven through teaching.

The following is a list of the public K-12 schools in Arizona at which the 22 currently teaching loan recipients are employed.

K-12 Schools where MSSE Graduates Served their Teaching Obligation in FY 2016

School	City	Subject Taught
Dobson High School	Mesa	Special Education - Eng SLD
Sahurita High School	Sahuarita	Special Education
Buckeye Union High School	Buckeye	Science
Mesa View Elementary	Chinle	Special Education
Peoria Accelerated High School	Peoria	Math
Coconino High School	Flagstaff	Math-Science
Vista Grande High School	Casa Grande	Special Education
Thunderbird High School	Phoenix	Special Education
Patterson Elementary School	Mesa	Special Education
Show Low Jr High	Show Low	Math
Mountain View High School	Mesa	Science

The list of public K-12 schools continues on the following page.

School	City	Subject Taught
Primavera Online High School	Chandler	Math Resource
TG Barr	Phoenix	Special Education
Centennial Elementary	Tucson	Math/Science
Montebello	Phoenix	Science
Alta Loma Elementary	Peoria	Special Education
Sunnyslope High School	Phoenix	Biology
Cholla High Magnet School	Tucson	Science
Academia Del Pueblo	Phoenix	Elementary Subjects
Sunrise Mountain High School	Peoria	Math
Esperanza Elementary School	Tucson	Special Education
Vista Del Sur Accelerated Academy	Laveen	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 no advertising or promotion for the program has been undertaken yet the number of applications submitted annually consistently exceeds the number of applications that can be funded.

Conclusion

The Commission staff believes the MSSE program provides a vehicle to shape student choices in order to meet Arizona’s needs in teacher shortage areas. Additionally, the Commissioners and staff are enthused to provide financial aid to this cadre of teachers who are critical to the success of Achieve60AZ goals. Achieve60AZ is focused on generating greater awareness of the importance of increasing Arizona’s level of educational attainment while building support to improve college entry and completion; boost adult education and training; and fuel a pipeline of competitive talent for Arizona’s employers.

Unfortunately, the current level of appropriations for the MSSE program will not solve the shortage. According to surveys conducted in August 2015, 82% of 108 reporting districts noted openings compared to 62% in August 2014. Additionally, 24% of first year and 20% of second year teachers left the profession in Arizona. The future may be even more challenging with 24% of Arizona’s educational workforce being eligible to retire within the next four years.¹

Therefore, the Commission has requested the increase of \$562,400 to a total of \$738,400 in FY 2018 for the MSSE program. This includes one full time employee \$60,900 and one computer for \$1,500. Increased funding will allow an additional 57-67 recipients to receive an award. Additionally, if the program termination date of July 1, 2017 is not extended the State will lose another important financial aid program.

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 Achieve60AZ goals.

¹ Johnson, C., 2016. *ADE Educator Retention and Recruitment Taskforce* [PDF document]. Retrieved from <http://www.azed.gov/highly-effective-teachers-leaders/files/2016/05/err-taskforce-abec-1.29.16.pdf>