

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 2011 - 2012



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: <http://www.azhighered.gov>

December 1, 2012

The Honorable Janice K. Brewer, Governor
The Honorable Steve Pierce, President of the Senate
The Honorable Andy Tobin, Speaker of the House of Representatives
The Honorable Ken Bennett, Secretary of State
Mr. Vincent Alascia, State Documents Librarian, AZ Library, Archives, and Public Records

I respectfully submit the enclosed annual report on 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.

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.

In FY 2012 the MSSE program transferred to the Commission and that same year the program was expanded to include the over 7,000 education majors attending private colleges and universities in addition to the more than 7,600 education majors in the public universities which are already part of the program. Unfortunately, the annual appropriation was cut to \$176,000 in FY 2011 from over \$2.2M in FY 2010 thus drastically limiting the number of students that can be served.

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 www.azhighered.gov or by contacting our office at 602.258.2435.

Respectfully Submitted,

A handwritten signature in black ink that reads "April L. Osborn".

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

cc: Reed Spangler, Senate Education Research Analyst
Tom Ritland, JLBC Fiscal Analyst
Illya Riske, OSPB Budget Analyst
Brooke White, House Education Committee Research Analyst

**The Arizona Commission for Postsecondary Education (ACPE)
Math, Science, and Special Education Teacher
Loan Forgiveness (MSSE) Program
FY 2011-2012 Annual Report**

Submitted December 1, 2012
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 students attending a qualifying public university or private college/university in the State to help defray the cost of tuition, fees and instructional materials. To have the loan forgiven, students must sign a promissory note each year agreeing to teach in these subject areas in a public K-12 school in Arizona for the number of years they received the loan funding plus one year. Students who do not meet the forgiveness criteria must repay the loan funds plus any interest.

Statutory modifications were made to the MSSE Program in the 2010 legislative session. Two significant changes were made. First, eligibility was extended to students attending any regionally or nationally accredited private institution. Second, the administration of the MSSE program was moved to the Commission in FY 2012. This administrative transfer included all elements including the awarding of forgivable loans and the administration of all promissory notes/contracts between the Arizona Board of Regents (ABOR) and the loan recipients since the inception of the program. Additional legislative changes included:

- Capping the annual loan amount at \$7,000
- Fixing the interest rate to 7%
- Requiring that all applicants have a Free Application for Federal Student Aid (FAFSA) on file
- Adding the teaching shortage area of elementary education in a specified geographic area

Due to the limited funding in FY 2012 of \$176,000, the Commission added additional administrative requirements:

- Loan eligibility reduced to three years.
- Students must be a junior or senior (completed at least 60 college credit hours) at the time of application.
- The Federal Pell Grant must be a part of their financial aid package.

Who Benefited from the Forgivable Loan?

In FY 2012 thirty-three MSSE loans were disbursed, 13 loans to initial recipients and 20 loans to continuing recipients. The loan recipients attended both public and private postsecondary institutions for a total disbursement of \$159,068.

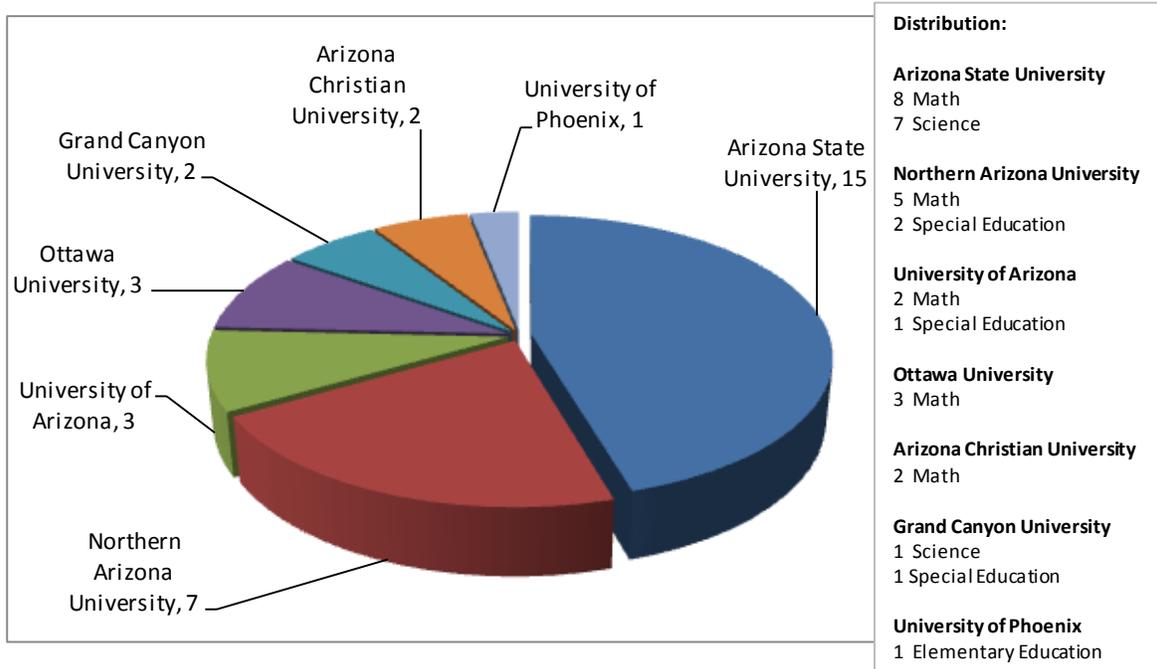
The table below provides a student profile for those who received loans in FY 2012.

MSSE FY 2012 Student Profile

Total Applicants	Total Recipients	Total Disbursement	Average Loan Amount	Average Age of Recipients	Initial Recipients	Continuing Recipients
36	33	\$159,068	\$4,820	28	13	20

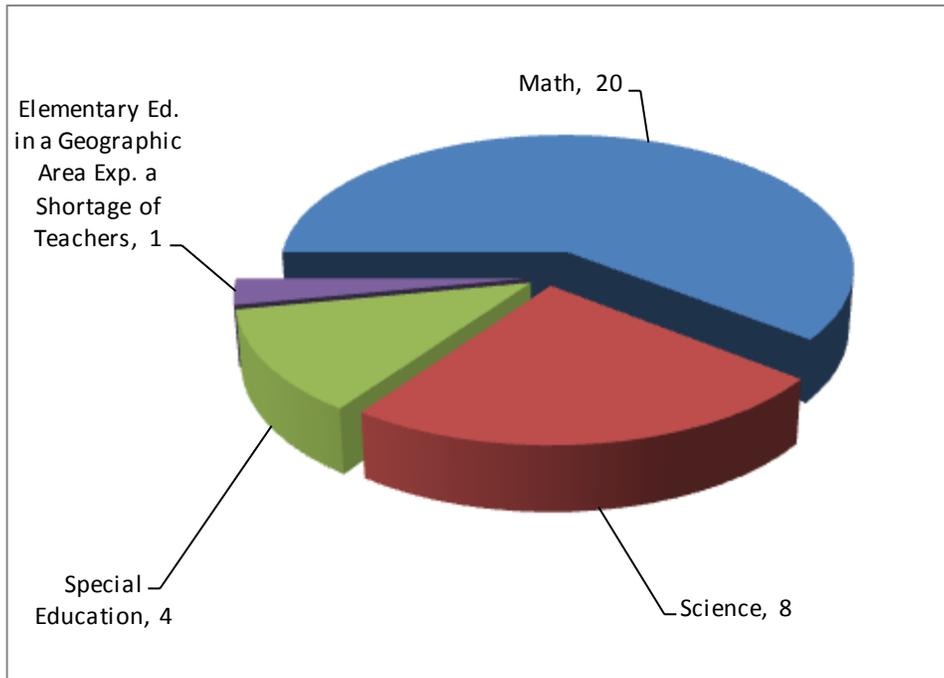
The following pie charts represent a breakout of the institutions the thirty-three loan recipients attended and the recipient's degree programs.

Recipients by Institution



In FY 2012 nearly a quarter of the MSSE recipients attended private postsecondary institutions, this is remarkable because it is the first year that the private sector was included in the program. Seven thousand private sector undergraduate education majors will help the MSSE Program reach its goals.

Recipients by Degree Program



Status of Recipients in MSSE Program from Inception Through FY 2012

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 2012, 195 students have participated in the MSSE Program. Below is a listing of the current status of the recipients.

- 19 are still enrolled in a postsecondary institution
- 19 are in their twelve month grace period (allowed by statute)
- 103 are currently teaching in a public K-12 school in Arizona
- 30 have had their loan forgiven for completing their teaching service
- 10 are currently in repayment
- 3 have paid their loan balance in full
- 11 may potentially be placed in repayment

Although allowed by statute, in FY 2012 the Commission did not receive any requests for good cause exceptions to student loan repayments; therefore, none were granted. FY 2013 will be the first year the Commission begins collecting the five year teacher retention data for the 30 individuals whose loans have been forgiven through teaching.

The following is a list of the public K-12 schools at which the 103 loan recipients were employed.

K-12 Schools were MSSE Graduates are Serving their Teaching Obligation in FY 2012

Alhambra Traditional School	Lattie Coor	Pinnacle High School
Amy L. Houston Academy	Legacy Traditional Charter School	Pomeroy Elementary School
Apache Junction High School	Liberty Elementary School	Poston Butte High School
Barry Goldwater High School	Liberty Traditional Charter School	Primavera Technical Learning Center
Bicentennial North School	Lowell School	Ranch Elementary School
Bowie High School	Luke School	Rancho Viejo Elementary School
Buckeye Union High School	Marcos de Niza High School	Rattlesnake Ridge Elementary
Cambridge Academy East	Maricopa High School	Ray Borane Middle School
Campo Verde High School	Maricopa Wells Middle School	Rincon High School
Chandler High School	Maryvale High School	Rio Rico High School
Chino Valley High School	Maxwell Middle School	Riverview High School
Circle Cross Ranch K8 School	Maya High School	Sahuarita Intermediate School
Connolly Middle School	Millennium High School	San Luis High School
Desert Ridge High	Mingus Union High School	San Luis Middle School
Desert Star	Mountain Pointe High School	San Tan Elementary
Dobson High School	Newell Barney Middle School	Scales Technology Academy
Dos Rios Elementary	Nogales High School	Sierra Middle School
Dysart Elementary School	North High School	South Mountain High School
EDUPrize School	Osborn Middle School	Sundance Elementary School
Flowing Wells High School	Palo Christi Elementary	Sunnyside High School
Frank Borman School	Palo Verde High Magnet School	Sunnyside Charter and Montessori School
Gateway Pointe Elementary	Patterson Elementary School	Supai Middle School
Goals Achievement Center	Payne Junior High School	Sycamore Elementary School
Granada Primary School	Payson High School	Tombstone High School
Hillcrest Middle School	Peach Spring School	Val Vista Lakes Elementary School
J. O. Combs Middle School	Peoria High School	Washington Elementary School
Kino Junior High School	Peralta Trail Elementary School	Western Peaks Elementary
Kofa High School	Perry High School	William C. Jack School
Lakeview Elementary School		

To help meet the challenges of the intensive tracking and student loan repayment obligations, the Commission is developing an automated application in the AZ Grants System and a companion tracking and repayment module. The automation of the granting, tracking, and repayment module(s) will allow the small ACPE staff to better handle these time intensive processes.

Conclusion

The Commission believes the MSSE program provides a vehicle to shape student choices in order to meet Arizona's needs in teacher shortage areas. Additionally, the Commission is enthused to provide financial aid to this cadre of teachers who are critical to the success of the Common Core Standards and Arizona's focus on Science, Technology, Engineering and Math (STEM) programs.

The State of Arizona is still facing a shortage of teachers in the areas of mathematics, science, and special education according to the Arizona Department of Education. This was confirmed by a recent poll undertaken in November of 2012 by the Arizona School Administrators. One hundred and nine districts responded, some districts indicated multiple shortage areas. The results indicate the following teacher shortages.

- 55 indicated a shortage of Math, Science, and Special Education teachers
- 22 indicated a shortage of Math teachers
- 11 indicated a shortage of Science teachers
- 12 indicated a shortage of Special Education teachers
- 12 indicated no shortage of teachers in any of the three subjects

Unfortunately, the current level of appropriations for the MSSE program will not solve the shortage nor will it support the Arizona Ready Education Reform Plan goals. Therefore, the Commission has requested the restoration of \$2M in FY 2014 for the MSSE program. Full funding will allow 71 students to be supported through four years of their teaching education.

Furthermore, the Commission believes the addition of the private postsecondary institutions help reach the State goal of doubling the number of students receiving a baccalaureate degree by 2020. The inclusion of private postsecondary institutions has the potential to make a major contribution to the State's workforce.

The Commissioners and staff look forward to helping increase the number of teachers in Arizona. The return of full funding for this program will aid the State meet both the goals of the Arizona Ready Education Reform Plan and the Common Core Standards.