



# Teacher Shortage Loan Forgiveness Program

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## **Authors**

### **Megan FitzGibbon**

State Financial Aid Manager  
Tel: 651-355-0606  
megan.fitzgibbon@state.mn.us

### **Jacquelynn Mol Sletten**

Financial Aid Administrator  
Tel: 651-355-0609  
jacquelynn.mol.sletten@state.mn.us

## **About the Minnesota Office of Higher Education**

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding up to \$180 million in need-based grants to Minnesota residents attending accredited institutions in Minnesota. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

Minnesota Office of Higher Education  
1450 Energy Park Drive, Suite 350  
Saint Paul, MN 55108

Phone: (651) 642-0567  
Toll Free: (800) 657-3866  
Fax: (651) 642-0675

[www.ohe.state.mn.us](http://www.ohe.state.mn.us)

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# Introduction

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The 2015 Minnesota Legislature enacted the Teacher Shortage Loan Forgiveness Program, effective August 1, 2015, [Minnesota Statutes 136A.1791](#). The Minnesota Office of Higher Education (OHE) was tasked with establishing rules and administering the program. The Office decided to refer to the program as the Teacher Shortage Loan *Repayment* Program (TSLRP) to better align the program's name to its design. The program is designed to provide student loan debt relief, in the form of repayment awards, to teachers working in shortage areas identified by the Commissioner of the Minnesota Department of Education (MDE) using data collected for the "Teacher Supply and Demand Report." The loan repayment program was created as an incentive to encourage qualified licensed teachers to work in identified teacher shortage area classrooms and to reduce the number of school districts that are unable to hire fully licensed teachers in particular license fields.

OHE is required to submit an annual report by February 1 to the chairs of the K-12 and higher education committees of the legislature. The report must include (1) number of individuals who received loan forgiveness, (2) licensure areas and economic development regions in which the teachers taught, (3) average amount paid to a teacher participating in the program, and (4) other summary data identified by the commissioner as outcome indicators. Currently, 2015/16 awards are still be calculated and rules have not been adopted; therefore, only general information about these elements will be provided as of January 31, 2017.

## Financial Summary

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[Minnesota Statutes 136A.1791 Subdivision 8](#) established a fund for this program making an appropriation to the fund “continuously available” for loan repayment awards. During the 2015 legislative session, TSLRP received an initial appropriation for repayment awards of \$388,000 for the 2016-2017 biennium. In addition, \$194,000 per year for awards was included in the budget tails for fiscal years 2018 and 2019. During the 2016 legislative session, an additional one-time appropriation of \$1.94 million was made to the fund. When making the appropriation, the Legislature indicated the funds were available until FY 2019. As a result, a total of \$2.328 million is currently available in the fund. OHE has not yet made awards or issued payments to eligible applicants due to not having adopted permanent rules.

## Rulemaking

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On November 21, 2016, OHE began requesting comments on Notice of Intent to Adopt Rules without a Public Hearing governing TSLRP. The rules clarify the criteria set in statute for maximum loan amounts, eligible participants and adds criteria on how awards will be prioritized. The rules will improve the efficiency and effectiveness of the program and reconcile the difference between the MDE’s “Teacher Supply and Demand Report” and annual loan repayment awards. The public comment period on these rules ended at 4:30 p.m. on Friday, January 6, 2017. The Notice of Adoption of permanent rules is set to be published in the State Register February 2017.

## Shortage Areas

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The Office requests MDE to identify teacher shortage areas on an annual basis for the purposes of administering this program. However, the data MDE uses to identify shortage areas may not be collected annually because the MDE “Teacher Supply and Demand Report” is only produced every two years. Teacher shortage areas are either a license field or an economic development region within the state that is identified by MDE as experiencing a teacher shortage.

Applicants are eligible to apply for TSLRP if the teacher is:

- Providing classroom instruction in a designated license field teacher shortage area anywhere in the state; OR
- Providing classroom instruction in any license field in an Economic Development Region identified as having a teacher shortage area; OR
- Providing classroom instruction in a designated license field teacher shortage within the Economic Development Region in which they teach.

Applicants must be currently fully-licensed (e.g. not teaching under a Special Permission or Variance) in the license field(s) in which they are providing classroom instruction.

For fiscal year 2016 (2015-2016 award year) the teacher shortage areas identified by MDE are:

Economic Development Region Shortage Areas ([Map](#)):

- Region 1 – Northwest
- Region 2 - Headwaters
- Region 3 – Arrowhead
- Region 5 – North Central
- Region 6E – Southwest Central
- Region 6W – Upper MN Valley
- Region 8 - Southwest
- Region 9 – Central
- Region 10 – Southwest
- Region 11 – Twin Cities Area

Statewide License Fields Shortage Areas:

- Agricultural Education
- Bilingual/Bicultural Education
- Business Education
- Chemistry
- Communication Arts and Literature
- Communication Technology Careers
- Computers/Keyboarding
- Construction Careers
- Dance
- Dance and Theatre
- Deaf or Hard of Hearing
- Driver Education
- Early Childhood Education
- Earth and Space Science
- Elementary Education
- English as a Second Language
- Family and Consumer Science
- Health Education
- Hospitality Service Careers
- Instrumental and Classroom Music
- Library Media Specialist
- Life Sciences
- Manufacturing Careers
- Mathematics
- Medical Careers
- Middle Level Science (Grades 5 - 8)
- Parent and Family Education

- Physical and Health Disabilities
- Physical Education
- Physics
- Pre-Primary
- Reading
- Reading Leader
- Social Studies
- Special Education –
- Academic and Behavioral Strategist
- Autism Spectrum Disorders
- Blind or Visually Impaired
- Deaf and Hard of Hearing (Oral-Aural Deaf Education)
- Developmental and Adapted Physical Education
- Developmental Disabilities
- Early Childhood
- Emotional Behavioral Disorders
- Learning Disabilities
- Teacher Coordinator: Work-Based Learning
- Technology Education
- Theatre Arts
- Transportation Careers
- Visual Arts
- Vocal and Classroom Music
- World Languages and Cultures –
- American Sign Language
- Arabic
- Chinese
- Dakota
- French
- German
- Greek
- Hebrew
- Hmong
- Italian
- Japanese
- Latin
- Norwegian
- Ojibwa
- Polish
- Russian
- Spanish
- Swedish

License Field Shortage Areas within each Economic Development Region

Region 1 - Northwest		
Academic and Behavioral	Elementary Education	Mathematics
Autism Spectrum Disorders	Emotional Behavior Disorders	Physical Education
Business	English as a Second Language	Technology
Chemistry	Health Education	Vocal and Classroom Music
Construction Careers	Learning Disabilities	
Development Disabilities	Life Sciences	

Region 2 – Headwaters		
Autism Spectrum Disorders	Emotional Behavior Disorders	Teachers of Computer, Keyboarding, and Related
Business	Health Education	
Development Disabilities	Learning Disabilities	Visual Arts
Early Childhood Special	Mathematics	Vocal and Classroom Music

Region 3 – Arrowhead		
Academic and Behavioral	Early Childhood Special	Physical Education
Autism Spectrum Disorders	Emotional Behavior Disorders	Teacher/Coordinator Work Based Learning
Construction Careers	Learning Disabilities	
Development Disabilities	Manufacturing Careers	Vocal and Classroom Music
Early Childhood Education	Mathematics	

Region 4 – West Central		
Academic and Behavioral	Early Childhood Education	Mathematics
Autism Spectrum Disorders	Early Childhood Special	Physics
Chemistry	Elementary Education	Transportation Careers
Construction Careers	Emotional Behavior Disorders	
Developmental/Adapted Physical Ed	Health Education	
	Learning Disabilities	

Region 5 – North Central		
Academic and Behavioral	Elementary Education	Physics
Autism Spectrum Disorders	Emotional Behavior Disorders	Science 5-8
Development Disabilities	Learning Disabilities	
Early Childhood Education	Mathematics	
Early Childhood Special	Parent and Family Education	

Region 6E – Southwest Central and Region 6W – Upper MN Valley		
Academic and Behavioral	English as a Second Language	Science 5-8
Autism Spectrum Disorders	Learning Disabilities	Teachers of Computer, Keyboarding, and Related Technology Applications
Communication Arts and	Mathematics	
Developmental/Adapted Physical Ed	Parent and Family Education	
	Physical Education	
Early Childhood Education	Physics	
Emotional Behavior	Social Studies	

Region 7E – East Central and Region 7W – Central		
Academic and Behavioral	Emotional Behavior Disorders	Science 5-8
Autism Spectrum Disorders	English as a Second Language	Teachers of Computer, Keyboarding, and Related Technology Applications
Construction Careers	Learning Disabilities	
Development Disabilities	Library Media Specialist	
Early Childhood Special	Manufacturing Careers	Transportation Careers
Elementary Education	Parent and Family Education	

Region 8 – Southwest		
Academic and Behavioral	Early Childhood Education	Parent and Family
Autism Spectrum Disorders	Early Childhood Special	Physics
Business	Elementary Education	Science 5-8
Communication Arts and	Emotional Behavior Disorders	Vocal and Classroom Music
Development Disabilities	English as a Second Language	Vocational Agriculture
Developmental/Adapted Physical Ed	Learning Disabilities	
	Life Sciences	

Region 9 – South Central		
Autism Spectrum Disorders	Early Childhood Education	Spanish
Business	Elementary Education	Visual Arts
Chemistry	Emotional Behavior Disorders	
Communication Arts and	English as a Second Language	
Development Disabilities	Learning Disabilities	
Developmental/Adapted Physical Ed	Library Media Specialist	
	Mathematics	

Region 10 – Southeast		
Autism Spectrum Disorders	Early Childhood Special	Manufacturing Careers
Communication Arts and	Elementary Education	Mathematics
Construction Careers	Emotional Behavior Disorders	Parent and Family
Development Disabilities	English as a Second Language	Science 5-8
Early Childhood Education	Learning Disabilities	

Region 11 – Twin Cities Area		
Academic and Behavioral	Emotional Behavior Disorders	Science 5-8
Autism Spectrum Disorders	English as a Second Language	Social Studies
Communication Arts and	Health Education	Spanish
Communications Technology Careers	Learning Disabilities	Visual Arts
	Library Media Specialist	
Elementary Education	Mathematics	

## Application and Award Process

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A TSLRP applicant may receive a maximum of \$1,000 per year, not to exceed the balance of the applicant’s qualified educational loans, including principal and interest. An applicant may receive a lifetime maximum of five awards. Due to insufficient funding to award all eligible applicants, the following elements are used to prioritize the awards to eligible applicants:

- A. Financial need of an applicant, considering the applicant’s income (without regard to spousal income, if applicable), household size, and total qualified educational loan
- B. Previous awards to the applicant from TSLRP
- C. Whether the applicant is employed in an economic development region that is a teacher shortage area
- D. Whether the applicant is employed in a teacher shortage area within the applicant’s economic development region
- E. Whether the applicant is employed in a statewide teacher shortage area
- F. Statewide distribution of funds

OHE assumed it was likely more applications from eligible teachers would be received than there was available funding. This is why prioritization of awards when there are insufficient funds to provide an award to all eligible applicants was addressed in the soon to be adopted rules.

### Applicants

To be an eligible applicant, an individual must:

- A. Hold a teaching license issued by the licensing division in the Minnesota Department of Education on behalf of the Board of Teaching;

- B. Be employed by a school district to provide classroom instruction in a teacher shortage area;
- C. Not have received five annual awards from this program;
- D. Provide a completed application;
- E. Have outstanding qualified educational loan debt;
- F. Not submit false or misleading information on any application to this program; and
- G. Provide verification of the application of previously awarded funds toward eligible qualified educational loans, if the applicant has previously received an award.

**Application**

An initial application was made available [online](#) from May 26, 2016 to June 30, 2016. The application contained minimum qualification data points:

- A. Biographic Information
- B. Teaching License and Assignment
- C. School District
- D. Applicant’s 2015 Adjusted Gross Income for
- E. Number of 2015 Exemptions Claimed
- F. Student Loan Default Status
- G. Total Amount of Qualified Educational Debt

OHE received a total of 2,932 initial applications of which 100 were determined as ineligible due to not meeting the minimum qualifications. The remaining 2,832 applications were categorized by Economic Development Region and 1,097 high-need (using the prioritization elements described earlier) applications were selected consistently among regions for further review. Applicants were notified via email in early July to submit documents to complete their applications to OHE by August 31, 2016. Those documents included:

- A. Application Data Verification Form
- B. Employment Verification Form (completed by school or school district representative)
- C. Verification of Qualified Educational Loans (statements from lenders and servicers)
- D. Verification of Income and Household Size (2015 federal tax forms)

The table below represents the number of eligible initial applicants and applications selected for further review per economic development region:

**Teacher Shortage Loan Forgiveness Program Applications**

<b>Economic Development Region</b>	<b>Eligible Initial Apps</b>	<b>Apps Selected for Review</b>
<b>Region 1 - Northwest</b>	95	95
<b>Region 2 - Headwaters</b>	53	53
<b>Region 3 - Arrowhead</b>	187	115
<b>Region 4 – West Central</b>	79	79
<b>Region 5 – North Central</b>	105	105
<b>Region 6E – Southwest Central and Region 6W – Upper MN Valley</b>	72	72

<b>Region 7E – East Central and Region 7W - Central</b>	291	114
<b>Region 8 - Southwest</b>	120	120
<b>Region 9 – South Central</b>	146	114
<b>Region 10 - Southeast</b>	265	115
<b>Region 11 – Twin Cities Area</b>	1419	115
<b>TOTAL</b>	2832	1097

## Awards

Based on the number of applications from eligible teachers received in spring 2016, it was evident there would not be sufficient funding if OHE decided to award all eligible applicants using all available funds. Thus, OHE elected to spread out the one-time funds over 3 years as opposed to awarding as many eligible applicants as possible in the first year. This was in order to fulfill one of the intentions of the program which is to retain teachers who are meeting shortage area requirements.

Of the 1,097 applications selected for further review, 736 applicants have submitted documents to complete their applications. OHE has been able to verify the data on 424 of the applications. Although official awards will not be made until the Notice of Adoption is published, as of January 31, 2017, 298 preliminary awards notices have been sent to applicants. The table below lists the applications selected for further review, review documents received, documents verified, and sent preliminary award notice.

### Teacher Shortage Loan Forgiveness Program Awards

<b>Economic Development Region</b>	<b>Apps Selected for Review</b>	<b>Review Documents Received</b>	<b>Documents Verified</b>	<b>Sent Preliminary Award Notice</b>
<b>Region 1 - Northwest</b>	95	63	43	42
<b>Region 2 - Headwaters</b>	53	34	18	18
<b>Region 3 - Arrowhead</b>	115	75	45	0
<b>Region 4 – West Central</b>	79	50	40	40
<b>Region 5 – North Central</b>	105	77	60	60
<b>Region 6E – Southwest Central and Region 6W – Upper MN Valley</b>	72	49	28	28
<b>Region 7E – East Central and Region 7W - Central</b>	114	80	57	0
<b>Region 8 - Southwest</b>	120	80	51	51
<b>Region 9 – South Central</b>	114	75	53	0
<b>Region 10 - Southeast</b>	115	86	62	59
<b>Region 11 – Twin Cities Area</b>	115	68	48	0
<b>TOTAL</b>	1097	737	505	298

Notes: Applicants from regions 3, 7E/7W, 9, and 11 have not been sent preliminary awards due to the high volume of applications selected and review documents received. All applicants must be reviewed in these regions prior to sending preliminary award notices.

## **Future Reporting**

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Future reports will include more detailed analysis of the teacher license field, teaching assignment, teaching location and other outcome data.