SUBJECT: FINANCIAL AFFAIRS
Policy 940.14 - Quality Educator Loan Assistance Program
Revised May 29, 2009; Issued June 2, 2009

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I.   Board Policy

A. <u>Quality Educator Loan Assistance Program</u>. This policy implements a quality educato**r** loan assistance program administered by the board of regents through the office of the commissioner of higher education in accordance with § 20-4-501, et seq., MCA, and this policy. The purpose of the program shall be the direct repayment of educational loans of eligible quality educators working in specified educational shortage areas in the state of Montana.

B. <u>Definitions</u>. For purposes of this policy, the following definitions shall apply:
1. "educational entity" shall mean: (1) a public school district; (2) a public education cooperative; (3) the Montana school for the deaf and blind, as described in § 41-5-103, MCA; (4) the Montana youth challenge program; and (5) a state youth correctional facility, as defined in § 41-5-103, MCA.
2. "educational loan" shall mean any loan made pursuant to a federal loan program, except federal parent loans for undergraduate students (PLUS) loans, as provided in 20 USC § 1078-2.
3. "educator" shall mean a full-time equivalent educator, as reported to the superintendent of public instruction for accreditation purposes in the current year, who:
    (a) holds a valid certificate under the provisions of § 20-4-10, MCA, and is employed by an entity listed in § A-2(a) of this policy in a position that requires an educator license in accordance with administrative rules adopted by the board of public education; or
    (b) is a licensed professional under §§ 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-17-302, 37-22-301, 37-23-201, 37-24-301, or 37-25-302, MCA, and is employed by an entity listed in § A-2(a) of this policy to provide professional services to students pursuant to that licensure.
4. "federal student postsecondary loan program" shall mean educational loans authorized by 20 USC 1071, et seq., § 20 USC 1087, et.seq. and § 20 USC 1087aa, et seq.
5. "in good standing" shall mean the educator has completed the school year in accordance with teacher obligations set by law and school district policy.

C. <u>Eligibility</u>
1. Educators meeting the following qualifications shall be eligible for education loan repayment assistance under this program:
    (a) Be a full-time equivalent educator, as verified by the office of public instruction;
    (b) Be working at least half-time in a critical quality educator shortage area designated by the board of public education pursuant to § 20-4-503, MCA, as verified by the educational entity or its agent;
    (c) Be an educator in good standing as verified by the educator's supervisor and hold appropriate Montana licensure and endorsement for the position held, as verified by the office of public instruction; and
    (d) Be the borrower of funds on an educational loan; have a minimum unpaid balance of at least $1,000 on said loan at the time of application for quality educator loan repayment assistance; and not be in default on an educational loan.
2. Educators qualified for this program are eligible for loan repayment assistance for up to a maximum of 4 years. The total annual loan repayment assistance may not exceed $3,000. The total amount payable to an educator under this program may not exceed $12,000. Payments are subject to continued eligibility and funds.

<u>History</u>

Item 137-108-R1107 approved by the Board of Regents on November 16, 2007 (supporting material). Item 143-101-R0509 approved by the Board of Regents on May 29, 2009, changed the reporting period for establishing employment eligibility for this program.

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D. <u>Funding</u>. No funds shall be dedicated to this program which have not been expressly appropriated for the project. If the funding for any given year is less than the total amount for which Montana quality educators qualify, the commissioner of higher education will make awards to quality educators based on the shortage indicator score (SIS) identified in § B-1 of this policy.

II.   Procedures

A. <u>Critical Quality Educator Shortage Areas</u>.   By February 1 of each year, in accordance with § 20-4-503, MCA, the board of public education will identify and provide to the commissioner of higher education a ranked list of schools and endorsement areas which are the areas of critical educator shortage. The list will indicate, by a numerical shortage indicator score (SIS), the most critical shortage areas. Awards will be made based upon the SIS.

B. <u>Application</u>. The commissioner of higher education will develop and post the application form and required documents to complete an application. Each applicant is responsible for filing his or her application, with necessary supporting documentation, by the deadline set in this policy. The commissioner of higher education may set additional administrative requirements for participation in the program, such as (1) provision of a social security number for payment and tax purposes and (2) consideration of participation in other loan repayment programs.

C. <u>Application Documents</u>. A complete application will include (1) a completed, signed application form, with signed consent to access loan information; (2) certification of employment in a shortage area; and (3) verification of educator licensure.`

D. <u>Application Deadline</u>. Complete applications must be received at the Montana guaranteed student loan program (MGSLP) no earlier than April 1 nor later than May 31 of the year for which the applicant seeks assistance. Applications may be sent to the Quality Educator Loan Assistance Program, MGSLP, PO Box 203101, Helena, MT 59620-3101 or be hand-delivered to the MGSLP at 2500 Broadway, Helena, Montana. Incomplete applications will not be considered. It is the applicant's responsibility to ensure his or her application is complete.

E. <u>Reapplication</u>.   Educators must reapply for the assistance every year. The commissioner of higher education will post procedures for reapplications for assistance. Direct notices of renewal will not be sent to current recipients. Educators currently in the program and working in the same capacity in the same shortage area for which they originally were qualified will have priority for additional awards, conditional upon continued eligibility and timely reapplication.

F. <u>Payment</u>. Payments will be made directly to the lender. If the remaining balance on an educator's loan is less than $1,000 for any given year, only the balance owing will be remitted by the program. Payments made under this program may be taxable income by the IRS and Montana department of revenue.

G. <u>Disqualification</u>. A qualified educator may be disqualified from receiving an award if he or she does not complete the school year in good standing.

<u>History</u>

Item 137-108-R1107 approved by the Board of Regents on November 16, 2007 (supporting material). Item 143-101-R0509 approved by the Board of Regents on May 29, 2009, changed the reporting period for establishing employment eligibility for this program.

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H. <u>Appeals</u>. Neither the determination of critical educator shortage areas nor the selections made under the program are subject to appeal. The termination of an award may be appealed to the commissioner of higher education. The commissioner's decision shall be final.

<u>History</u>

Item 137-108-R1107 approved by the Board of Regents on November 16, 2007 (supporting material). Item 143-101-R0509 approved by the Board of Regents on May 29, 2009, changed the reporting period for establishing employment eligibility for this program.