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# **GUIDELINES FOR ADMINISTERING THE STATE-FUNDED EDUCATOR LOAN FORGIVENESS PROGRAM**

## **1.00 Introduction**

The primary purpose of these guidelines is to clarify the policy established by the Colorado Commission on Higher Education (CCHE, the Commission) and to set operational parameters for the Department of Higher Education (DHE, the Department) for the administration of the Educator Loan Forgiveness Program (the Program). Critical support and key definitions are also provided by the Colorado Department of Education (CDE).

The guidelines will be subject to regular update, revision, and improvement. Accordingly, they will be reviewed annually, and necessary changes made to clarify intent, to implement policy revisions, to update annual data, and to incorporate new statutory provisions.

During the 2019 legislative session, the passage of SB 19-003 created the Educator Loan Forgiveness Program for individual educators beginning in the fiscal year 2019-20. Educators eligible for loan forgiveness shall apply to the Educator Loan Forgiveness Program according to policies and procedures established by the Commission and the Department.

## **2.00 Roles and Responsibilities**

### **2.01 Purpose**

The primary purposes of the Educator Loan Forgiveness Program are to provide financial resources to educators throughout the state to retain them in their work positions, and to alleviate the educator shortage problem in many educational content areas, especially those in rural geographic areas of the state.

### **2.02 Administrative Roles and Responsibilities**

The responsibility for appropriate use of educator loan forgiveness funds rests with the Executive Director of the Department. For administrative purposes the Executive Director may delegate the responsibilities for the following functions:

- policies and procedures;
- selection of recipients for educator assistance programs;
- authorization of payment;
- maintenance of program records;
- maintenance of accounting records;
- required reporting

The designation of responsibility must accomplish a separation of program and fiscal functions. It is recommended that the Executive Director designate the Program Coordinator, with supervision from the Senior Finance Analyst and the Chief Financial Officer, to have responsibility for coordination of the selection of all educator loan assistance recipients; authorization of payment; maintenance of program records; and establishment of level of expenditures. It is further recommended that the Executive Director designate the Program Coordinator to have responsibility for disbursement of awards and maintenance of accounting records.

### **3.00 Educator Loan Forgiveness Program Overview**

#### **3.01 General Description**

The Educator Loan Forgiveness Program recognizes the contributions of public educators in the state who work in rural and/or high-need subject areas or roles, and the need to help keep those educators working in their positions. The program provides financial assistance to educators in the form of an education preparation loan forgiveness payment, on all or part of the principal and interest of qualified loans, to support them financially in their careers. These educator positions include:

- Classroom Teachers
- Building Principals
- Special Service Providers

Authority for the Educator Loan Forgiveness Program is contained in 23-3.9-102 and 103, C.R.S. It is supported by an annual appropriation of the Colorado General Assembly. All annual loan payments made on behalf of program participants are subject to available appropriations.

### **4.00 General Administration of State-Funded Educator Loan Forgiveness Program**

#### **4.01 Nondiscrimination**

No educator may be excluded from participation in any state-funded financial assistance program on the basis of gender, race, color, age, religion, national origin, marital status, or handicap.

#### **4.02 Participant Eligibility**

The following eligibility criteria must be met; there may be more specific eligibility guidelines stated in specific program sections:

1. Be a citizen or national of the United States, be in the United States for other than a temporary purpose and intend to become a permanent resident according to federal regulations or be a citizen of the Freely Associated States: the Federated States of Micronesia and the Republics of Palau and the Marshall Islands.
2. Be contracted in a qualified position, as outlined by CRS 23-3.9-101(4)(a)(b) for the 2019-20 academic year. This includes educators employed in:
  - All state-wide Public Schools, including Charter Schools.
  - BOCES (Board of Cooperative Education Services) schools.
  - Facility Schools – schools operating in public school districts, or not, and having an identified content-area shortage.
3. Hold a qualifying loan, as outlined by C.R.S. 23-3.9-101(3.7) and CCHE policy VI part O section 3.03 (b).
6. Teachers and principals must have graduated from a CCHE approved [Educator Preparation Program](#)
7. SSPs can hold a degree from any accredited program.

4.03 Definitions:

Educator

A Teacher, Principal, or Special Services Provider.

- An SSP is defined as a School: Audiologist, Counselor, Nurse, Occupational Therapist, Orientation and Mobility Specialist, Physical Therapist, Psychologist, Social Worker, or Speech-Language Pathologist.
- An SSP may be employed in a school that is not a part of a school district.

Qualified Loan

For principals, a qualified loan must have been incurred while enrolled in an [approved educator preparation program in Colorado](#) . For teachers, the loan must have been incurred while enrolled in an [approved educator preparation program in Colorado](#), or while completing a bachelor’s or master’s degree in the content area. Special Services Professionals must have incurred a qualified loan while enrolled in an accredited program of study in the endorsement area for which licensure is held.

1. This includes loans made, insured, guaranteed under Title IV of the Higher Education Act, 20 U.S.C. 1070 et seq.
2. Private education loans as defined in the Truth in Lending Act 15 U.S.C. 1650(a)(8):
  - a. means a loan provided by a private educational lender that—

- i. is not made, insured, or guaranteed under of [1] title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and
  - ii. is issued expressly for postsecondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender; and does not include an extension of credit under an open-end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling.
- b. Loans in default or garnishment are not eligible, however, a defaulted loan may become eligible if the default is resolved.
  - c. Parent plus loans are not eligible because the holder of the loan is someone other than the applicant.

Qualified Position

- o Educator as defined above in a rural school district as defined annually by the Colorado Department of Education, pursuant to 23-3.9-102 (6)(a)(I). See: <http://www.cde.state.co.us/cdeedserv/may2019ruraldesignationlist>
- o Educator in a content-shortage area as defined annually by CDE pursuant to 23-3.9-102 (III).
- o For the purposes of qualification for this program, “rural” and “small rural” will be considered the same.

Content-Area Shortages

The Department of Education will annually identify content shortage areas generally and for specific geographic areas of the state.

The 2019-2020 content-area shortages are identified in Appendix A

4.04 Application Requirements

All applicants must apply to the Educator Loan Forgiveness Program at the Department of Higher Education.

The Department will review all applications and will verify all information provided on the initial application including but not limited to employment verification, qualified loan verification, and third-party payment authorization.

4.05 Award Limitations

The amount repaid will be based on the borrower’s outstanding balance not to exceed \$5,000 annually.

The eligible educator may continue to qualify for a loan forgiveness award, for a maximum of five years, and a maximum total award of \$25,000, subject to available appropriations and continued eligibility.

If the educator holds less than \$5,000 in qualified loans at any point during program participation, eligibility is not impacted; however, payment to the loan servicer cannot exceed the qualified loan balance.

## **5.00 Application Procedure and Prioritization**

### 5.01 Procedure

1. An applicant must apply to the Department of Higher Education.
2. Upon application review, participants' current employment status, loan balance, and licensure will be verified by the Department of Higher Education.
3. Application prioritization will occur according to the statutorily established prioritization. If more than 100 eligible applications are received, a random lottery draw will be used to determine program participants, with selections covering all regions of the state.
4. Loan payments will be remitted directly to the loan servicer.

### 5.02 Prioritization

Eligible educators will be selected for a loan forgiveness award based on a priority definition; with highest priority to educators in rural districts in content shortage areas, second highest priority to all educators in rural districts, and third highest priority given to educators in content shortage areas in non-rural districts.

The Educator Loan Forgiveness Program will select the 100 recipients each year based on the proportionate number of educators in each category (Teacher, Principal, SSP) working in Colorado. This proportion will be based on information from CDE and will be updated annually. This proportion is contingent upon the number of and nature of applications received.

- For the 2019-2020 academic year, the preliminary proportion for each educator category is: 85% teachers, 5% principals, and 15% SSPs.
- If the number of received qualified applications does not comport to one or more of the above proportional categories, then additional selections will come from the remaining two categories.

The Colorado Department of Education has established [eight separate geographic areas of the state](#): Northwest, North Central, Northeast, Metro, West Central, Pikes Peak, Southwest, and Southeast. The Educator Loan Forgiveness Program will select 100

program participants from these eight geographic areas. A random selection draw will be conducted of all eligible applicants within each job category, distributed among the eight geographic areas. The number of educators selected may vary based on the number and nature of applications received from qualified educators.

- To address the more severe shortages in smaller rural areas, the random selection process will be based on a ratio of 55% for small rural areas, and 45% for rural areas.
- The definitions of rural and small rural by CDE are:  
A Colorado school district is determined to be rural based on the size of the district, the distance from the nearest large urban/urbanized area and having a student enrollment of 6,500 students or less. Small rural districts are those districts meeting these same criteria and having a student population of less than 1,000 students.

Educators who receive an award and maintain employment in an eligible position in future years will be subject to an annual recertification process. Successful completion of the recertification process allows an educator to remain eligible for the program benefit without having to reapply annually. Educators who change their position and/or school or school district but remain working in a rural district and in a content-shortage area in their new position, will be recertified. If a change in position occurs whereby the new position is not considered part of a rural district or content shortage area, the educator forfeits eligibility and program participation.

## **6.00 Accounting, Record Keeping, and Reporting**

Accounting and record keeping activities provide accurate documentation of the use made of state funds and of the basis for program decisions. Such records are needed for documentation, audit, planning, and guidance for new or replacement personnel.

### **6.01 Allocation Period for State-Funded Student Assistance Programs**

The allocation period for Educator Loan Forgiveness Program funds is determined by the fiscal year of the State of Colorado, July 1 through June 30.

### **6.02 Disbursement of Allocated Funds**

In May, DHE, on behalf of the individual qualified educator, will transfer directly to the loan servicer, one hundred percent (100%) of the loan forgiveness award for that year.

### 6.03 Reporting

On or before December 15, 2019, and on or before December 15 each year thereafter in which an educator is participating in the program, the Department of Higher Education Commission shall prepare an annual report that includes, but is not limited to:

- The content shortage areas identified by the Department of Education.
- The number of applications received.
- The number of participants awarded loan forgiveness.
- The public schools in which the participants are employed.
- Demographic information for the participants.
- The approved educator preparation program attended by the participants.
- The amount of money applied toward loan forgiveness and the sources of the money.
- For all participants awarded loan forgiveness, the length of time each participant has remained in the program and has remained teaching in the public school or within the same school district.

The Colorado Commission on Higher Education will provide a copy of the report to the education committees of the Senate and the House of Representatives, or any successor committees.

**Appendix A: Analysis of SB19-003 for CDHE (prepared 11/22/2019)**

SB19-003 applies to applicants who have contracted for a “qualified position”, which is defined in statute.

The grant applicant priority is:

1. Qualified position in rural district or rural school in a content shortage area
2. Qualified position in a rural district or rural school
3. Qualified position in a content shortage area.

CDE must identify content shortage areas for priority applicant groups. The following are based on the 2018-19 educator shortage survey in which CDE had 100% district and BOCES participation:

1. Qualified position in a rural district in a content shortage area

Agriculture and Renewable Natural Resources
Business/Marketing
Early Childhood Education
English Language Arts
Family and Consumer Sciences
Mathematics
Music
Science
Social Studies
Special Education Generalist
World Languages
School Counselor
School Nurse
School Occupational Therapist
School Speech Language Pathologist

2. Qualified position in a rural district (i.e., all rural educators)
3. Qualified position in a content shortage area in non-rural districts:

Business/Marketing
Drama Theater Arts
Early Childhood Education
Instructional Technology
Special Education Generalist
Special Education Specialist: Deaf and Hard of Hearing
Special Education Specialist: Visually Impaired
School Nurse
School Physical Therapist
School Psychologist
School Social Worker

