



INDIANA COMMISSION *for*
HIGHER EDUCATION

Implementation of the Next Generation Hoosier Educators Scholarship:

A Report in Response to House Enrolled Act 1002-2016

December 1, 2016

In 2016, the Indiana General Assembly passed HEA 1002 creating the Next Generation Hoosier Educators Scholarship. Starting fall 2017, the scholarship will provide up to \$7,500 annually to high-achieving students who agree to teach in Indiana for at least five years. To help the Commission effectively administer the scholarship, HEA 1002 tasked the Commission to “research and identify programs offered in other states to provide state scholarships or loan forgiveness to high-achieving students who intend to enter the teaching profession upon graduation.”

With assistance of the National Association of State Student Grant and Aid Programs, the Commission identified 28 states with various scholarship and loan programs targeting prospective teachers. The Commission interviewed the ten programs that target high-achieving students and are structured most similarly to the Next Generation Hoosier Educators Scholarship.

Programs Interviewed

- Delaware Teacher Corps
- Golden Apple Scholars of Illinois Program
- Educators for Maine Program
- Massachusetts Tomorrow’s Teachers Scholarship Program
- Mississippi Teacher Education Scholars Forgivable Loan Program
- North Carolina Teaching Fellows Program
- South Carolina Teaching Fellows
- Tennessee Teaching Scholars Program
- Washington Future Teachers Conditional Scholarship
- Teacher Education Assistance for College and Higher Education (TEACH) Grant

The information gathered from these programs helped shape how the Commission plans to administer the scholarship. This report highlights best practices and recommendations from the various teacher scholarship and loan programs for high-achieving students across the country.

In evaluating the efficacy of a program, the Commission studied the number of recipients that:

- Graduated from a teacher preparation program
- Completed service requirements
- Had their scholarship converted to a loan
- Are still working towards completing their service requirement
- Remained teaching after completing their service requirement

Program Case Studies

Of the ten programs interviewed, the teaching fellows programs in North Carolina and South Carolina stood out as the most effective. Although these are separate programs, they share many similar characteristics because the South Carolina program is modeled after the North Carolina program. Compared to the Federal program where less than one-third are expected to meet their service requirements, both teaching fellows programs have retained at least 68% of program graduates in the teaching profession at the end of their service requirement.

Both programs have a rigorous application process that uses local educators, business and community leaders and legislators to interview potential applicants. Using an interview process with regional stakeholders helps provide a comprehensive view of the applicant’s qualifications that mere numbers on a page cannot convey. In addition to a thorough interview process, both programs provide opportunities for students to enter the classroom early in their first year of college. Each program uses a cohort model where select institutions are allocated a specific number of openings for scholarship recipients. Therefore, some students are not eligible to use the fellowships at their first school of choice. The cohort model allows for scaling of support, easier monitoring of student success and stronger relationships among recipients.



North Carolina Teaching Fellows Program (1986-2015)

Structure:

- \$6,500 scholarship per year for four years
 - Four-year service requirement
- Regional interview process
 - Educators, business leaders and legislators serve as interviewers
- Cohort model
- Intensive on-campus supports
 - Campus program director
- Summer programming
 - State bus tour for freshman
 - Conference for juniors
- Strong appeals process

Results:

- Of the 10,708 scholarship recipients:
 - 50% completed service
 - 17% working towards completing service
 - 5% attending college
 - 19% fully repaid in recoupment
 - 9% currently in recoupment¹
- 79% of fellows continue teaching after completing their service requirement
- 64% of fellows continue teaching 6+ years after completing their service requirement
- 4,632 fellows teaching in all of North Carolina's 100 counties in AY 2013-14

South Carolina Teaching Fellows (1999-Present)

Structure:

- \$6,000 scholarship per year for four years
 - Four-year service requirement
- Regional interview process
 - Educators serve as interviewers
- Cohort model
- Intensive on-campus supports
 - Campus program director
- Summer programming
 - Statewide orientation day
 - Conference for sophomores
 - Enrichment for juniors and seniors
- Strong appeals process

Results:

- 78% who entered college from 2000-2010 and received scholarship graduated
 - 22% entered recoupment prior to college graduation²
- 73% of graduates from 2004-2014 were still teaching as of 2014-15 school year
 - 9% completed service and were no longer teaching
 - 5% were in deferment
 - 13% currently in recoupment
- 65% of fellows continue teaching 6+ years after completing their service requirement

In contrast to the teaching fellows programs, the Federal TEACH Grant sees the vast majority of recipients fail to complete program requirements and enter repayment. The TEACH Grant allows high-achieving students (top 25% ACT/SAT or 3.25 college GPA) to self-select to participate in the program in exchange for teaching four years at a high-need school in a high-need field. One troubling feature of the TEACH Grant is the inflexible, annual verification of service requirement. Failure to submit proof of service by the deadline automatically converts the grant to a loan. Due to self-selection and the stringent paperwork requirements, 75% of TEACH Grant recipients are expected to see their grant convert to a loan³.

Federal TEACH Grant (2007-Present)

Structure:

- \$4,000 annual federal grant
 - Four-year service requirement teaching in a high-need field in a high-need school within eight years of graduation

Problems:

- Recipients self-select if eligible for grant
- Inflexible deadlines for submitting paperwork

Results:

- 75% of recipients will fail to complete the service commitment and will have their grants converted to loans

¹ Todd Cohen, "A Legacy of Inspired Educators: A Report on the North Carolina Teaching Fellows Program 1986-2015" (2015), https://www.ncforum.org/wp-content/uploads/2013/05/PSF_TeachingFellowsReport_WEB.pdf.

² Center for Educator Recruitment, Retention and Advancement, "Teaching Fellows Data" (2015), <http://cerra.org/teachingfellows/data.aspx>.

³ U.S. Department of Education, "Teacher Education Assistance Overview" (2013), <https://www2.ed.gov/about/overview/budget/budget13/justifications/q-teach.pdf>.



Additional Teacher Scholarship and Loan Programs

In addition to the three programs outlined above, the Commission interviewed seven other teacher scholarship/loan programs which targeted high-achieving students. The following summaries outline each program's structure and the qualification applicants must possess.

Delaware Teacher Corps⁴

- Merit-based, loan forgiveness program for high school seniors or current college students who commit to teaching in shortage areas
 - First preference given to those wanting to teach middle & high school math and science
 - Second priority given to those wanting to teach special education in a content area
 - High school seniors must rank in upper half of graduating class & have a minimum 1570 on the old SAT
 - All applicants must have at least a 2.75 cumulative GPA
- Based on funding, Delaware awards 10-15 new students each year (the loans do not to exceed the cost of tuition)
 - As of Summer 2016, Delaware had roughly 50 students who are utilizing the loans
- One year forgiven for one year of service

Golden Apple Scholars of Illinois Program⁵

- Scholarship program established in 1989 that identifies talented high school seniors as well as first and second-year college students who commit to teaching in high-need schools
 - High school seniors must have a minimum 2.5 GPA and either an ACT Composite score of 22 or higher and a minimum score of 6 on the Writing portion or a SAT Total Score (evidence-based reading and writing + mathematics) and a minimum score of 26 on writing and language
 - Current college freshmen and sophomores must have graduated from an Illinois high school and either an ACT Composite score of 22 or higher and a minimum score of 19 on the Combined English/Writing portion or an SAT Composite score of 1030 (critical reading + mathematics) or higher and a minimum score of 450 on writing and language
 - A nomination process is used to apply for the scholarship (teachers can nominate student or student can self-nominate to apply)
 - Recipients must teach for five years in an Illinois school-of-need within seven years of college graduation
- Program includes four years of summer programing (residential summer institutes) in which students are paid stipends each year

Educators for Maine Program⁶

- Competitive, merit-based forgivable loan program established in 1984 for Maine students pursuing careers in education or child care and planning to work in Maine after graduation
 - Available to graduating high school seniors, and undergraduate and graduate students accepted into postsecondary degree programs
 - Students must have a cumulative grade point average of at least 3.0 on a 4.0 scale.
 - New applications are reviewed based on academic performance; grammar, style and content of a 500-word essay; preference is given to those enrolled in underserved subject area programs; awards and special honors; and relevant activities
- One year forgiven for one year of service
 - Underserved areas (geographic and subject shortage areas) get two years forgiven for one year of service

Massachusetts Tomorrow's Teachers Scholarship Program

- Scholarship program established in 1999 and discontinued in 2003 that targeted high-achieving high school seniors (graduate in the top 25% of their graduating class) to enter the teaching profession
 - Original program forgave one year of the scholarship for one year of service
 - Program funding was moved to the Adams Scholarship Program (merit-based, general state aid)

⁴ Delaware Department of Education, "Delaware Teacher Corps" (2016), <http://dedoe.schoolwires.net/Page/1054>.

⁵ Golden Apple Foundation, "Golden Apple Scholars" (2016), <http://www.goldenapple.org/golden-apple-scholars>.

⁶ Finance Authority of Maine, "Educators for Maine Program" (2016), http://www.famemaine.com/maine_grants_loans/educators-for-maine-program/.



- Incentive Program for Aspiring Teachers Tuition Waiver⁷ was created in 2001
 - Program targets current college juniors and seniors
 - Students must commit to teaching two years in a shortage area

Mississippi Teacher Education Scholars Forgivable Loan Program⁸

- Forgivable loan program established in 2013 to encourage high-achieving high school graduates to pursue a career in teaching
 - Only aid programs for teachers offered to incoming college freshmen
 - Applicants must have a minimum 28 Composite Score on the ACT and a cumulative 3.5 GPA or higher
 - Recipients must teach for five years in a public or charter school following degree completion and licensure to have entire loan forgiven
- Mississippi offers four other forgivable loan programs for teachers that target college junior, seniors, and alternative licensure students⁹

Tennessee Teaching Scholars Program¹⁰

- Loan forgiveness program intended to encourage exemplary Tennessee students to enter the teaching field that targets college juniors, seniors and post baccalaureate candidates admitted to a teacher education program in a Tennessee college or university
 - All applicants must have at least a 2.75 cumulative GPA if required for the teacher education program at their school of choice
 - All applicants must be enrolled full-time if undergraduate or at least half-time if a graduate student
 - Cannot participate in another service based program
- One year forgiven for one year of service

Washington Future Teachers Conditional Scholarship

- Scholarship program discontinued in 2011 due to funding cuts focused on students pursuing or teaching in high-demand teaching fields
 - Program had a high number of conversions to loans because the service requirement was not being met
- Teacher Shortage Conditional Grant¹¹ was created during the 2016 legislative session
 - Grant is focused on shortage areas (traditionally underrepresented groups and geographic shortage areas)
 - Recipients must commit to teach for five school years in an approved education program with a need for a teacher with such an endorsement at the time of hire

Administration of Teacher Scholarship and Loan Programs

Although each teacher scholarship/loan program has unique elements in its administration, all programs fall into two general categories. The first includes states like South Carolina, North Carolina and Illinois which have an organization dedicated to recruiting teachers administer the scholarship. The remaining states fall into the second category which has existing state financial aid offices administer the program. Indiana falls into the second category and has elected to use the Commission for Higher Education to administer the program. Overall, this is a less administratively burdensome way to administer the program, though it is important to note that the programs that utilize a teacher recruitment organization to administer their program typically have better outcomes. However, the Commission feels it can effectively administer the Next Generation Hoosier Educators Scholarship by incorporating the elements which made those programs successful. These elements are outlined in the “Best Practices” section below.

⁷ Massachusetts Department of Higher Education, “Incentive Program for Aspiring Teachers Tuition Waiver” (2016), <http://www.mass.edu/osfa/programs/aspiringteachers.asp>

⁸ RiseUpMS, “Teacher Education Scholars Forgivable Loan (TES)” (2016), <http://riseupms.com/state-aid/tes/>.

⁹ Mississippi Office of Student Financial Aid, “2015 Annual Report of State-Supported Student Financial Aid Programs: July 1, 2014 through June 30, 2015” (2015), http://riseupms.com/manage/wp-content/uploads/2012/04/Annual-Report_15.pdf.

¹⁰ Tennessee Student Assistance Corporation, “Tennessee Teaching Scholars Program” (2016), <http://www.tn.gov/collegepays/article/tennessee-teaching-scholars-program>.

¹¹ Washington State Legislature, “Teacher shortage conditional grant program—Rules—Reports” (2016), <http://app.leg.wa.gov/RCW/default.aspx?cite=28B.102&full=true#28B.102.090>



Regardless of how these teacher scholarship/loan program are administered, there are specific cost and administrative burdens that come with all teacher scholarship and loan programs. Specifically, all programs require additional staff and funds to advertise the program, review applications and select recipients, track students to ensure completion of service requirements and recoup funds from recipients which fail to complete their service requirements. Unlike general eligibility programs, such as the Pell Grant and Indiana's Frank O'Bannon Grant, teacher scholarship programs for high-achieving students are merit-based awards. This requires staff to complete an individualized review of each application to select recipients. Additionally, as HEA 1002-2016 recognized, teacher scholarship programs have a specific audience and require a targeted promotional and outreach campaign to reach the desired audience. Further, these programs require students to be tracked from first receipt of funds through completion of their service requirements or repayment. The administrative burdens of tracking service and recoupment are covered in the next section. At a minimum, robust teacher scholarship and loan programs require an additional staff member to meet the administrative burdens.

Administrative Procedure for Recovering Funds

The Commission's research into the various teacher loan and scholarship programs provided key insights on how Indiana can efficiently and effectively recover fund from recipients that fail to complete their service requirements. States that recover funds for failure to comply with the service requirements do so by either using an existing loan division of their state financial aid offer, partnering with another state agency such as the Department of Revenue or utilizing a third-party vendor.

To effectively recover funds, Indiana will use a multi-layered approach by contracting with a third-party vendor and partnering with the Indiana Department of Revenue to utilize the state's tax offset program. By contracting with a third-party vendor, the Commission will save staff time and resources due to the administrative burden of tracking hundreds of recipients during college and after graduation. Additionally, the Commission does not have an existing loan division and does not collect funds from scholarship recipients. The expertise of a third-party vendor will save significant training time and learning curve if collection were to be done in-house.

Moreover, since the Next Generation Hoosier Educators Scholarship can convert from a scholarship to a loan, the state must meet certain federal regulations. The Commission must complete with the Truth in Lending Act and provide certain notices to be able to recover funds. Any third-party vendor the state contracts with will be required to provide all required disclosure.

The Commission will not recoup funds from recipients who are continuously enroll full-time even if they are no longer pursuing a career in education. The recoupment process will start once a recipient is either no longer enrolled or is no longer working towards their service requirement. The recoupment process will be treated like a traditional student loan, allowing students to make manageable payments rather than being routed to a traditional collection agency or accounts receivable. The loan will have an interest rate set just above the federal Stafford Loan interest rate for that origination period. This will discourage students from using the scholarship program as a low interest loan.

Recipients failing to make payments to the third-party vendor will have their tax return intercepted via the state's tax offset program. If a recipient no longer lives in Indiana and is not making their required payments, the recipient will then be referred to a collection agency.



Best Practices from Programs Interviewed

Application Process

- All programs offer an online application to make it easy for students and families to access the scholarship
- Golden Apple Scholars of Illinois encourages teacher participation by allowing teachers to nominate students for their scholarship

Selection Process

- North Carolina, South Carolina and Illinois all conduct interviews for scholarships
 - All use the same interview questions and scoring rubrics for all applicants
 - All conduct training for the interviewers prior to interviewing applicants
 - All use current educators and/or alumni award recipients in the process
 - North and South Carolina also use business, community and legislative leaders in the process
- Roughly 70% of program graduates from these three programs were still teaching five years after graduation¹²

Award Process

- All programs provide award notifications far enough in advance for students to make an educated decision on whether to accept the scholarship and which institution to attend
- Program requirements and a promissory note are provided to the students to ensure they understand the consequences of not fulfilling the academic and service requirements
- Multiple programs use a waitlist to determine who receives the scholarship in the event an award offer is declined
- An orientation day is used to help students prepare for their first year

Completion of Service or Recoupment

- Majority of programs forgive one year of service for each year the award is received
- Nearly all programs use an external vendor/agency for recoupment when not meeting service
 - Those that recoup internally administer other loan programs and already have the structure to do so in place
- Majority of programs set an interest rate at or above the Federal Stafford Loan amount to discourage students from using the scholarships as a low interest loan

Key Takeaways

The Commission incorporated the lessons learned from these programs into the structure for administering the Next Generation Hoosier Educators Scholarship. The Commission will use a regional selection model informed by county population. K-12 educators and other community leaders will serve as interviewers and will use standard interview questions and scoring rubrics. While North and South Carolina have championed the cohort model, the benefits do not outweigh providing students the freedom to select which institution is their best fit. In place of the cohort model, the Commission has begun working with Indiana's teacher preparation programs to outline best practices to ensure student success. These suggestions will eventually be incorporated in the institutions' agreement to participate in the scholarship program. In addition to these supports, applicants will be required to select a nominating school official, who will complete a nomination form and agree to serve as a resource while the student pursues their teaching license. The administrative structure is highlighted in the following flow charts which outline awarding, renewal and service completion.

¹² Golden Apple Foundation, "FY15 Programmatic Outcomes for the Scholars of Illinois Program," (2015).



Awarding Process

Nomination and Application
November 1- December 31



Verification
January 1-June 30



Selection
March 1- April 1



Award
April 1- June 30



Students ask school officials to nominate them by completing the nomination form.

- In doing so, the school officials will be committing to serve as a resource while the students attend college
- Nominators will assist students by providing support and career-building guidance

Students then apply online by completing the following:

- Uploading the nomination form
- Submitting an essay response
- Provide high school activities and involvement
- Signing an agreement to complete requirements necessary to stay in the program

After submission, the Commission begins verifying the application information from the high school:

- Standardized test scores (SAT and/or ACT)
- Class rank
- GPA

The Commission will use a regional selection model. K-12 educators and leadership, business and community leaders, state legislators and teacher preparation programs will be invited to serve as interviewers.

- Interviews will be held at one site in each of the eight CHE Outreach Regions
- Process will be supported by Commission staff and volunteers

Students will be notified of award decision *by April 1*.

- Wait-listed students will be eligible to receive the scholarship if a spot becomes available during the first calendar year

Students will have to accept and complete the promissory note *by June 30*.

- The Commission envisions holding an orientation day in Indianapolis each summer for incoming recipients



Award Renewal and Service Completion

Renewal



Graduation, Licensure and Service



Completion of Service or Recoupment

Certain information needs to be verified *annually* to ensure recipients are staying on track to receive the scholarship.

- Institutions will confirm:
 - Recipients are on track with their education program requirements
 - GPA is maintained at or above 3.0
 - Credit completion requirements are fulfilled
- Recipients will complete:
 - Promissory note for each year they receive the scholarship

Obtaining a teaching license:

- Institutions will verify that recipients have graduated
- The Department of Education will confirm recipients have received licensure

Reporting service:

- Recipients will input the position they hold, the grade(s) they are teaching, and school where they are employed
 - Schools employing recipients will electronically verify this information *annually*

Alumni Network:

- Graduates will be encouraged to join the scholarship's alumni network upon graduation to:
 - Keep them updated on how current recipients are doing in the program
- Invite them to participate in future interviews and orientation for incoming recipients

After teaching for five consecutive years, recipients will receive notice of service completion.

If recipients do not complete the necessary requirements at any point, they will enter recoupment.

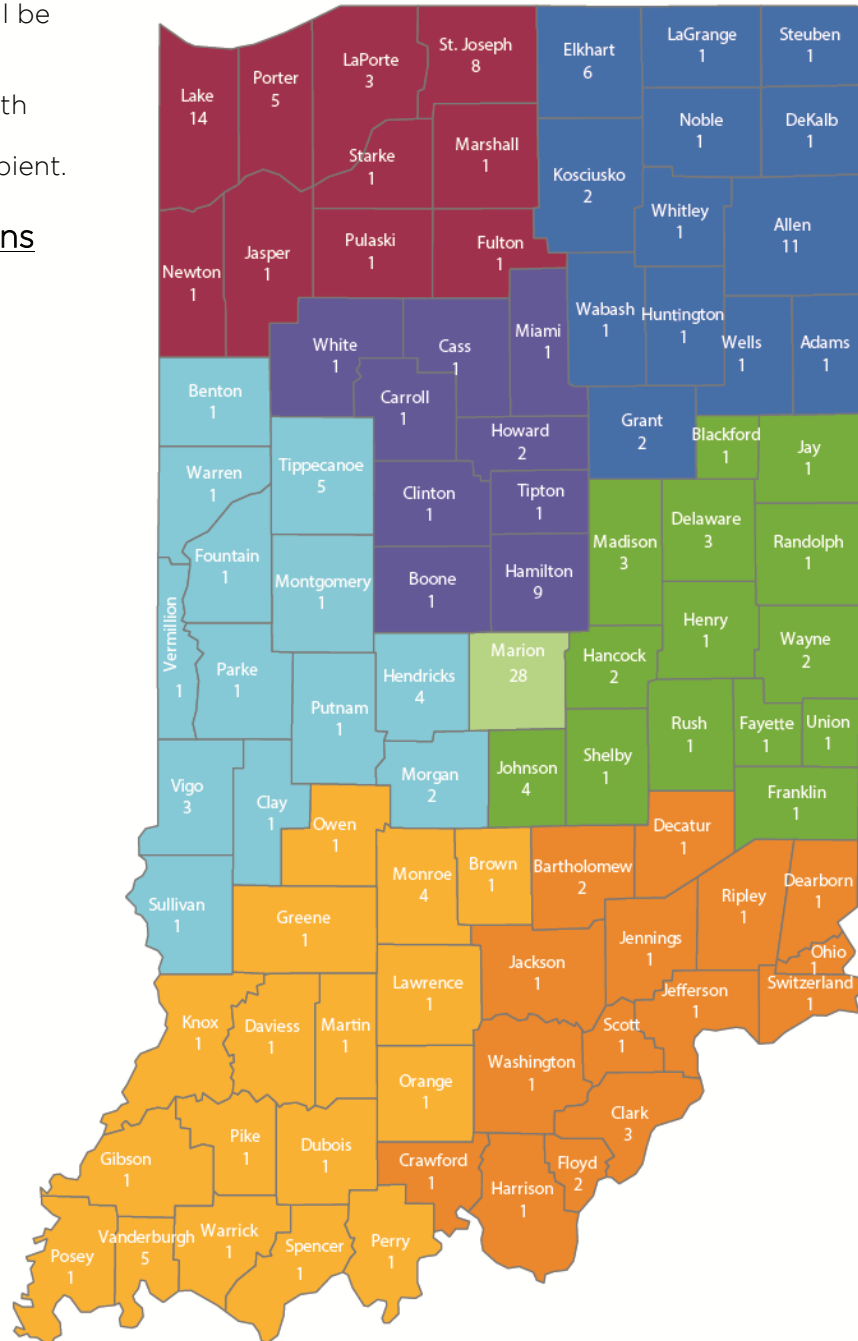
- Recipients will have the opportunity to file an appeal:
 - If the appeal is not approved, the recipients enter repayment (through the Department of Revenue or a private, third-party vendor)
- Recipients may select to go into repayment at any time, but will enter actual repayment six months after:
 - No longer attending a post-secondary institution
 - No longer completing the service requirement



Anticipated Distribution of 2017-18 Scholarships

Scholarship allocation will be informed by county population using 2015 population estimates¹³ with the goal of every county having a scholarship recipient.

CHE Outreach Regions



¹³ U.S. Census Bureau, "Population estimates" (2015), <http://www.census.gov/quickfacts/table/PST045215/18>.

