

The Quality Educator Loan Forgiveness Program

prepared by Pad McCracken, Legislative Research Analyst
for the School Funding Interim Commission, November 2016

The Quality Educator Loan Forgiveness Program was created in SB 2 of the May 2007 Special Session and is codified in [Title 20, Chapter 4, Part 5, MCA](#). The program allows state funding to pay back up to \$3,000/year in student loans for up to four years for a teacher employed in a school and subject area meeting criteria for a “critical quality educator shortage”. In 2015, 171 quality educators benefitted from the program. For the 2017 biennium, just under \$500,000 per year was appropriated in HB 2 for the program.

Responsibility for designating the critical quality educator shortage criteria falls to the Office of Public Instruction (OPI) in creating a report and the Board of Public Education (BPE) in approving the report. The OPI has developed a matrix for rating the degree of a school’s need based on:

1. Rural isolation (based on the locale codes used by the US Census Bureau);
2. Economic disadvantage (measured by percentage of students participating in the free and reduced meals program); and
3. Low student achievement (based on the number of years a school has been in improvement status under the federal No Child Left Behind Act).

Schools can receive between 0 and 8 points for each of the above criteria and, for the 2015-16 school year, any school scoring 9 or higher is considered impacted.¹ This results in 513 of Montana’s 824 schools being eligible. It’s important to note that rural isolation alone is not enough to trigger the “impacted” status. Unless the school has more than 10% of its students participating in the free and reduced meals or is in improvement status, even the most isolated school would not be eligible. Likewise, a number of schools in Montana’s more urban areas qualify as impacted due to the percentage of students participating in free and reduced meals and being in NCLB improvement status.

After determining a school’s eligibility as impacted, the OPI determines the subject areas that schools report as being difficult to fill. Only educators working in an impacted school and in a subject area reported as being difficult to fill are eligible for the program.²

OPI’s annual “Critical Quality Educator Shortages” report is on the BPE’s November 12, 2015 meeting agenda and available beginning on page 178 of the [agenda packet](#). The report explains the criteria and scoring in more detail and lists impacted schools as well as data from the personnel recruitment report detailing the different endorsements areas in terms of difficulty of filling positions.

A policy question the commission might choose to investigate further is whether the current structure of this program is sufficiently targeted towards those schools and districts facing the greatest difficulties in recruiting and retaining quality educators.

CI0170 5316pedc.docx

¹ For 2015-16, the OPI is also considering any school in Richland or Roosevelt Counties as impacted regardless of the school’s score due to “the recruitment and retention challenges facing school districts impacted by oil and gas development in the Bakken oil field.”

² While elementary teachers did not qualify based on the statewide hiring difficulty ratings, the OPI and BPE are allowing elementary teachers teaching in schools with an impact score of 15 or higher to qualify in an attempt to aid recruitment in rural, high poverty areas.