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**Prime Sponsor:** Rep. Cory Gardner, R-Yuma

**Bill Status:** House Education

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**Title: Concerning the teacher loan forgiveness pilot program, and, in connection therewith, expanding the operation of the program within rural districts**

**This bill represents a net opportunity gain for Colorado. By expanding the state’s teacher loan forgiveness pilot program to allow teachers in more rural districts to qualify, and by increasing the dollar amount of loans that can be forgiven under the program, the bill will help rural districts recruit and retain more high-quality teachers, assist in closing the state’s “teacher gap,” and ultimately lead to increased student achievement in districts throughout the state.**

**Background**

Research shows that quality teaching is the most significant factor affecting student achievement.<sup>1</sup> Yet a 2006 report on the state of teaching in Colorado concluded there is a widening “teacher gap” in our state that correlates with student achievement. Specifically, teachers who serve high proportions of minority and low-income students tend to be less qualified, have higher turnover and make less money than their counterparts in other schools.<sup>2</sup>

**Summary of Legislation**

The bill expands the definition of “rural school district” to allow teachers in more rural areas to qualify for the state’s teacher loan forgiveness pilot program. Specifically, the bill redefines a rural district as one that has a sparse, widespread population and that does not include a municipality exceeding 5,000 people. Current statute defines a rural school district as one that does not include a municipality of more than 1,000 people.

In Colorado and the nation, the teacher gap exists in both urban and rural settings. National studies on teacher quality confirm that the schools that find it hardest to recruit and retain highly qualified teachers are those in urban and rural areas, especially in the Southeast, Southwest and West.<sup>3</sup>

The bill specifies that the legislature may appropriate General Fund moneys for the program and removes statutory provisions that limit the program to the repayment of only CollegeInvest-related loans. The bill increases to \$10,000 the total amount that teachers in the program can seek in loan forgiveness over a four-year period (up to \$4,000 per year for the first two years and up to \$1,000 per year for the next two years). Finally, it extends the repeal date for the teacher loan forgiveness pilot program from July 1, 2013, to July 1, 2018.

Although rural schools can offer many benefits for teachers and students alike – such as smaller class sizes and stronger relationships among students, teachers and parents – these schools also face a unique set of issues in recruiting and retaining quality teachers.<sup>4</sup> The national literature points to four main challenges for rural schools:

- Lower pay
- Geographic and social isolation
- Difficult working conditions, such as having to teach classes in multiple subject areas
- No Child Left Behind requirements for highly qualified teachers (many rural teachers need certification in multiple subject areas).<sup>5</sup>

The Bell Policy Center believes a top priority of the General Assembly should be to expand opportunities for Coloradans to achieve the American Dream. In that spirit, we offer Opportunity Notes on selected bills. Similar to Fiscal Notes, Opportunity Notes reflect our best analysis of whether a bill, if implemented, will expand opportunities for Coloradans.

A POSITIVE analysis means our research suggests a bill will expand opportunity in a cost effective manner.

A NEGATIVE analysis means our research suggests the measure will restrict opportunities or will not cost-effectively achieve its goals.

These factors can put rural districts at a competitive disadvantage in teacher recruitment and retention. Nationally, efforts to help overcome these challenges and encourage more high-quality teachers to take on and stick with assignments in rural and other hard-to-staff schools include incentives such as loan forgiveness programs.<sup>6</sup>

### Research/Evidence of Effectiveness

The evidence clearly reveals that both recruitment and retention must be targeted in efforts to help place more high-quality teachers in rural schools. Almost one-third of our nation's teachers leave the field during their first three years of teaching, and almost half leave after five years. Rates of turnover are even higher in many low-income and rural communities. High turnover undermines teaching quality and student achievement.<sup>7</sup>

Research specific to effective rural teacher recruitment and retention identifies 14 promising strategies. Key among these are targeted incentives that encourage teachers to take positions in rural settings and stay on past their first year.<sup>8</sup> In 2005, one study found that about 30 states, including Colorado, had some type of financial incentive policy for teachers in place.<sup>9</sup>

Targeted incentives can include loan forgiveness programs, scholarships, tuition assistance, housing subsidies, salary increases and yearly bonuses. Although not specific to teacher incentives, some research has suggested that loan forgiveness programs can be less costly and more effective than "service payback programs" such as scholarships and tuition assistance.<sup>10</sup>

Based on the evidence, the Bell Policy Center recommended as part of its *Blueprint for Opportunity* in 2006 that the General Assembly extend and expand Colorado's teacher loan forgiveness pilot program.<sup>11</sup> HB 08-1255 is fully consistent with this policy recommendation and represents an important step forward in efforts to ensure that high-quality teachers serve all students throughout the state.

### Estimate of Impact and Benefits

HB 08-1255 would benefit both the recruitment and retention of high-quality teachers in rural school districts. The bill uses an expansion of the state's current loan forgiveness program as a targeted incentive for teacher recruitment. It further supports teacher retention by increasing the total dollar amount of loans that may be forgiven and by spreading that forgiveness over the first four years in

a qualifying position – the period during which many teachers are most likely to otherwise leave the field.

By helping more rural districts attract and retain high-quality teachers, HB 08-1255 will translate into higher achievement and increased post-secondary success for students. Students who achieve well in school are more likely to graduate and go on to earn post-secondary credentials, which carries both personal and social benefits. Earnings dramatically increase and unemployment rates decrease with each higher level of education attained,<sup>12</sup> and on the societal level, the foundation of a strong and competitive state economy is a well-educated workforce. Having a high-quality teacher in every classroom is an important step toward achieving these goals.

### End notes

<sup>1</sup> [Teacher Quality: Research, National Conference of State Legislatures](#)

<sup>2</sup> [Shining the Light: The State of Teaching in Colorado](#), Fall 2006, The Alliance for Quality Teaching

<sup>3</sup> Patricia Cahape Hammer, et.al. [Rural Teacher Recruitment and Retention Practices: A Review of the Literature, National Survey of Rural Superintendents, and Case Studies of Programs in Virginia](#), Appalachia Educational Laboratory at Edvantia, December 2005

<sup>4</sup> National Education Association, [Rural Education: Issue Paper on Rural Education](#)

<sup>5</sup> Hammer, et.al.

<sup>6</sup> Jeremiah Johnson, [State Financial Incentive Policies for Recruiting and Retaining Effective New Teachers in Hard-to-Staff Schools](#), Teaching Quality/Recruitment and Retention State Notes, Education Commission of the States, May 2005

<sup>7</sup> Hammer, et.al. and [No Dream Denied: A Pledge to America's Children](#), National Commission on Teaching and America's Future, January 2003

<sup>8</sup> Hammer, et.al.

<sup>9</sup> Cortney Rowland with Charles Coble, [Targeting Teacher Recruitment and Retention Policies for At-Risk Schools](#), Learning Point Associates/North Central Regional Educational Laboratory, Policy Issues No. 20, Nov. 2005

<sup>10</sup> Gail McCallion, [Student Loan Forgiveness Programs](#), Congressional Research Service, CRS Report for Congress, updated Feb. 1, 2005

<sup>11</sup> Frank Waterous, [Implementing Bell's Blueprint recommendation No. 1 to support quality teaching](#), The Bell Policy Center, *Blueprint for Opportunity Implementation Memo No.1*, Jan. 9, 2006

<sup>12</sup> See [Education and Training Pay](#), Postsecondary Education Opportunity, Oskaloosa, Iowa.