D. OTHER FINANCIAL PROGRAMS ADMINISTERED BY THE BOARD

A. As provided in A.R.S § 15-1657, eligible postsecondary institutions shall provide forgivable loans to eligible students enrolled in the Arizona Teacher Student Loan Program, who commit to teaching in Arizona public schools.

1. Loans are distributed on a first-come, first-served basis.

2. Loans provided through the Arizona Teacher Student Loan Program may include up to the actual cost of tuition, instructional materials as allowed by Title IV of the Higher Education Act of 1965, and fees:

   a. For a maximum of two academic years or four semesters for students in an alternative teaching certification program;

   b. For a maximum of four academic years or eight semesters for undergraduate university students;

   c. For a maximum of two academic years or four semesters for graduate university students who do not have an undergraduate teaching degree;

   d. For the purposes of this policy, summer terms are not considered part of the academic year nor are counted towards the maximum term amount.

3. The executive director or designee may allocate up to ten percent of the monies deposited each fiscal year into the Arizona Student Loan Fund and may use the interest deposited for administering the program.

B. Eligible postsecondary institutions must be both:

1. A regionally or nationally accredited private postsecondary educational institution in Arizona; and
2. Approved as an Educator Preparation Program by the Arizona State Board of Education.

C. Student Eligibility: To be eligible for the Arizona Teacher Student Loan Program, students must meet the following criteria:

1. Be an Arizona resident;
2. Be a citizen or legal resident of the United States or otherwise lawfully present in the United States;
3. Be admitted and enrolled as an undergraduate, graduate, or postbaccalaureate student at a qualifying postsecondary institution;
4. File a Free Application for Federal Student Aid (FAFSA) each year enrolled in the Arizona Teacher Student Loan Program; and
5. Sign a student agreement that requires the student to meet the eligibility requirements for the program and specifies the terms of continuing eligibility, the post-graduation or post-certification service obligations and the student’s repayment obligations due to failure to meet the eligibility requirements or service obligations.

D. Procedures for Eligible Postsecondary Institution Participation

1. Eligible postsecondary institutions shall annually complete an application as specified by the executive director or designee.
2. After receipt of the applications by eligible postsecondary institutions, the executive director or designee shall annually notify eligible postsecondary institutions of the amount of funds allocated to the institution for the upcoming fiscal year, subject to legislative appropriations.
3. Prior to receipt of Arizona Teacher Student Loan Program funding, each eligible postsecondary institution will enter into an agreement with the board that agrees to:
   i. Maintain adequate fiscal control, accounting, and financial aid records at the institution in accordance with approved state and federal procedures;
   ii. Timely provide the board office with any requested information; and
   iii. Ensure each student loan recipient completes a written agreement, as prepared by the board office, that sets forth the terms of the
teaching service obligation and the repayment of funds, according to this policy, in the event the recipient does not satisfy the teaching or program obligations.

E. Arizona Teacher Student Loan Program while in school

1. Prior to receipt of Arizona Teacher Student Loan Program funds, a student shall enter into a written agreement as identified in section D(3)(iii) of this policy that shall set forth the terms of the teaching or program obligation and the repayment of funds in the event the recipient does not satisfy the teaching or program obligations.

2. Students who do not successfully complete the academic year in good academic standing or who cease to be enrolled shall enter repayment status. Once in repayment, the student shall reimburse the board for the total amount of Arizona Teacher Student Loan Program funding received for that year.

F. Teaching Service Obligations

1. To have the loan forgiven, students must complete one year of full-time service in a public school in the State of Arizona for each academic year that they received a loan under this program.

   i. Students who receive a loan under this program for only one semester in any academic year will be obligated to teach full-time for one semester or equivalent of service in a public school in the State of Arizona.

   ii. Recipients shall have a grace period of 12 months after graduation, or completion of an approved course of study leading to a teaching credential, to sign a teaching contract in an Arizona public school.

      1. A recipient may elect to not use their grace period if they find teaching employment.

      2. If the recipient has not secured employment in an Arizona public school, the repayment shall begin at the end of the 12-month grace period.

   iii. The loan recipient will timely provide to the executive director or designee the verification of their full-time employment as a teacher in an Arizona public school. If a loan recipient fails to provide
documentation by the deadline as set by the board, they may have to repay the loan.

iv. The executive director or designee shall monitor graduates’ progress toward meeting their teaching obligations.

G. Conditions of Repayment

1. Students who do not fulfill their obligation to teach in an Arizona public school shall reimburse the board for the proportional amount of the loan for tuition, instructional materials, and fees that the student received that corresponds to the number of school years the student agreed to teach but did not teach.

2. The executive director or designee shall provide to each person in repayment an amortization schedule. There shall be no interest charged, and the repayment duration shall be no more than 10 years.

H. Deferment of the Teaching Service Obligation

1. The executive director or the executive director’s designee, upon written request of a recipient, may grant deferment of time for satisfying the teaching commitment if the recipient:

a. Is temporarily unable to work and/or disabled for a period not to exceed 3 years, as established by written documentation from a health care provider, or

b. Is called to active duty in the Armed Forces of the United States, or

c. Is enrolled, registered, and progressing toward timely degree completion in a graduate degree program that would delay required full-time teaching requirement to one year following completion of the graduate degree program or two years post-bachelor’s degree, whichever is less, or

d. Is unable to fulfill their teaching commitment due to extraordinary circumstances beyond their control.

2. In each case, the recipient must provide complete and verifiable documentation to support the request.
I. Cancellation of Teaching Service Obligation

1. The executive director or designee may cancel the service obligation made under this program if they determine that:

   a. The recipient is totally and permanently disabled as established by written documentation by a health care provider;

   b. The recipient has died. The executive director or designee shall require a copy of the death certificate or other appropriate confirmation of the recipient’s death; or

   c. The recipient or their spouse was relocated out of state by the Armed Forces of the United States.

Policy History

11/17/2022 Approved by the Board on first reading with immediate implementation.

2/9/2023 Approved by the Board on second reading.

Related Information