

Exhibit 11

Information/Action Item

Presentation of loan assumption programs

Commission staff has prepared this presentation on loan assumption and repayment programs in response to a request from the Strategic Policy and Planning Committee.

The Commission has administered various loan assumption and repayment programs to respond to California's teacher and nursing shortages. These programs assist with the repayment of qualified educational loans in return for providing teaching or nursing services in designated areas of need. In an effort to reduce the gap between teachers and nurses supply and demand in California, a number of incentives have been offered to students enrolled in education programs at various institutions of higher education. These programs are designed to attract and retain well-qualified individuals in these specialized shortage areas.

The Assumption Program of Loans for Education (APLE) and the State Nursing Assumption Program of Loans for Education (SNAPLE) for Nursing Faculty (SNAPLE NF) and Nurses in State Facilities (NSF) are two loan repayment programs administered by the Commission. Beginning in fiscal year 2012-13, new loan assumption agreements (LAA) for both APLE and SNAPLE programs was withdrawn. However, the programs continue to honor the previous agreements for those participants meeting their service commitments.

Assumption Program of Loans for Education (APLE)

Allocation of Loan Assumption Agreements

APLE was enacted in 1983 and focused on loan assumption for credential teachers. Statutes from 1986 altered the focus of APLE to concentrate on non-credentialed individuals who were training to become fully credentialed teachers in areas where critical teacher shortages had been identified or in schools serving a large population of students from low-income families.

Chart 1 identifies the number of APLE loan assumption agreements allocated to participating institutions and school districts each year and the number of new participants who signed loan assumption agreements.

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Chart 1
APLE Loan Assumption Agreement Allocations

Academic Year	LAA Allocations Per Year	New Participants
1986-1987	500	436
1987-1988	500	500
1988-1989	500	500
1989-1990	500	500
1990-1991	500	500
1991-1992	500	500
1992-1993	500	424
1993-1994	400	400
1994-1995	400	400
1995-1996	400	400
1996-1997	400	400
1997-1998	400	400
1998-1998	4,500	3,805
1999-2000	5,500	5,485
2000-2001	6,500	6,500
2001-2002	6,500	6,487
2002-2003	7,500	7,500
2003-2004	7,700	7,432
2004-2005	7,500	6,648
2005-2006	8,000	7,500
2006-2007	7,400	5,939
2007-2008	7,400	5,816
2008-2009	7,200	4,891
2009-2010	7,200	3,909
2010-2011	7,600*	4,253
2011-2012	7,600*	4,268
2012-2013 thru 2014-15	0	0

*Includes 400 allocations for credentialed teachers.

Application and Selection Process

Each year, the Commission allocated loan assumption agreements to participating institutions, school districts or county offices of education. Institutions and school district officials were required to sign an agreement to distribute information and application materials to eligible students or teachers. Participating institutions were allocated at least one APLE loan assumption agreement and the remaining allocations were distributed in proportion to the number of teaching credentials recommended by the Commission on Teacher Credentialing (CTC) for that institution. District interns and credentialed teachers were nominated through their school district office or county office of education. Any unused applications were reallocated to other institutions or districts that specified a need for additional agreements.

Of the total authorized allocations, 100 loan assumption agreements were allocated to district interns and 400 to credential teachers. The remainder of the allocations were distributed to participating

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institutions that included the University of California (UC), the California State University (CSU), and independent colleges and universities with CTC-approved teacher credentialing programs.

Institutions and school district officials were required to sign an agreement to distribute information and application materials to eligible students or teachers. Applications were submitted to the designated APLE coordinators. APLE applicants were required to be nominated by the designated APLE coordinator at the participating institution.

Program Eligibility Requirements

APLE applicants must meet specified conditions which include:

- Completed the equivalent of at least 60 semester, or 90 quarter, units of postsecondary education prior to receipt of an award.
- Enrolled in or admitted to: a program leading to a baccalaureate degree or program of professional teacher preparation approved by CTC.
- Maintain at least half-time enrollment of undergraduate or teacher preparation coursework as determined by the institution.
- Maintain satisfactory academic progress toward a credential objective.
- Nominated by a participating postsecondary institution based on having outstanding ability on the basis of criteria determined by the institution.
- Received, or approved to receive, an educational loan to meet the costs of obtaining an initial teaching credential.
- Sign a Loan Assumption Agreement to provide up to four consecutive years of teaching service in a California public school in one of the subject shortage areas or in certain designated schools.
- Provide first year of teaching service in agreed-upon area within 36 months of obtaining their initial teacher credential.

Participants were and continue to be tracked each year throughout their enrollment in an eligible institution until they complete their credential program coursework and are recommended for a teaching credential. Once the participant's credential is confirmed, the teaching service is tracked to determine eligibility for the loan assumption benefits.

The Superintendent of Public Instruction, on an annual basis, provides the Commission with a list of the following:

- Teaching fields that have the most critical shortage of teachers
- Schools that serve a large population of pupils from low-income families
- Schools with a high percentage of teachers holding emergency-type permits
- Schools serving rural areas
- Schools ranked in the lowest deciles on the Academic Performance Index.
- High priority schools

This information is utilized to ensure that APLE participants are providing instruction at the designated school or teaching in a subject shortage area. Critical shortage areas may change from year to year as designated by the Superintendent of Public Instruction. Math, science and special education have continued to be identified as critical subject shortage areas.

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APPLE Benefits

Participants must provide four consecutive years of teaching service in their agreed-upon area to receive the maximum APPLE benefits. Each year, teachers must complete employment and loan balance verification forms. After a teacher completes a full year of full-time qualifying teaching service, a loan assumption payment is processed and sent directly to the lender to reduce the outstanding educational loan. Chart 2 identifies the APPLE benefits after each year of service.

**Chart 2
APPLE PROGRAM BENEFITS**

After Completion of:	Base Award	1 st Bonus \$1,000 (Math, science or special education in the bottom 60% low-performing school)	2 nd Bonus \$1,000 (Math, science or special education in a bottom 2% low-performing school)
First Year	\$2,000	Up to \$3,000	Up to \$4,000
Second Year	\$3,000	Up to \$4,000	Up to \$5,000
Third Year	\$3,000	Up to \$4,000	Up to \$5,000
Fourth Year	\$3,000	Up to \$4,000	Up to \$5,000
Maximum Benefits	\$11,000	\$15,000	\$19,000

APPLE Phase Out

Participants who signed loan assumption agreements prior to the 2012-13 academic year are eligible to receive their benefits if they comply with the terms of the agreement. Over 1,500 students are enrolled and taking courses towards a teaching credential. Approximately 5,500 teachers providing eligible teaching service are receiving their APPLE benefits for completing their first, second, third or fourth year of teaching. It is projected that \$18.5 million will be paid out for teachers who provide qualifying teaching service during the 2014-15 school year. Based on the current number of participants and expected teaching dates, the program is not expected to phase out completely until the 2022-23 fiscal year.

State Nursing Assumption Program of Loans for Education (SNAPLE)

The Legislature has created two State Nursing Assumption Program of Loans for Education (SNAPLE) designed to encourage students to serve as nursing faculty (SNAPLE NF) or serve in a state-operated facilities (SNAPLE NSF).

SNAPLE for Nursing Faculty (SNAPLE NF)

The State Nursing Assumption Program of Loans for Education for Nursing Faculty (SNAPLE NF) was established in 2005. The program was amended in 2006 to allow undergraduate students to participate in the program and to allow loan assumption payments to participants who have taught part-time for an equivalent of three academic years.

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The Commission was authorized to issue 100 Loan Assumption Agreements beginning in 2006-07 and for subsequent academic years. Chart 3 shows the number of new participants by year and identifies those years that did not meet the authorized number of allocations.

Chart 3
SNAPLE NF Loan Assumption Agreement Allocations

Academic Year	LAA Allocations	New Participants
2006-2007	100	62
2007-2008	100	100
2008-2009	100	98
2009-2010	100	49
2010-2011	100	44
2011-2012	100	46
2012-2013 – Current Year	0	0

Application and Selection Process

Applicants submitted completed applications to the office of the director of their nursing program at their institution for nomination. Participating institutions forwarded their nominations to the Commission for review and selection. Points were assigned to each applicant and those nominations with the highest points were offered a Loan Assumption Agreement to participate in the program.

Program Eligibility Requirements

SNAPLE NF applicants must meet specified conditions which include:

- Be a U.S. citizen or eligible non-citizen and be a California resident attending an eligible school
- Be currently enrolled in or admitted to a program leading to a baccalaureate or graduate level degree in which he/she will be enrolled in at least a half-time basis.
- Maintain satisfactory academic progress toward a degree objective.
- Nominated by a participating postsecondary institution based on having outstanding ability on the basis of criteria determined by the institution.
- Have received, or approved to receive, an educational loan to meet the costs of obtaining a baccalaureate degree and/or a graduate degree.
- Sign a Loan Assumption Agreement to teach as a nursing faculty member at a regionally accredited college or university in California.

SNAPLE NF Benefits

SNAPLE NF participants must provide a full year of full-time teaching service or the equivalent to be eligible for payment. To receive maximum loan assumption benefits of \$25,000, participants must teach nursing on a full-time basis, or the equivalent, at a regionally accredited college or university in California for up to three (3) consecutive academic years. Based on the participant's June 30 outstanding loan balance, payments are made directly to the lender and applied accordingly. Chart 4 identifies the payments for each year of full time teaching service.

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**Chart 4
SNAPLE NF PROGRAM BENEFITS**

After Completion of:	Loan Assumption Amount
First Year	\$8,333
Second Year	\$8,333
Third Year	\$8,334
Maximum Benefits	\$25,000

SNAPLE NF Phase Out

Participants who signed loan assumption agreements prior to the 2012-13 academic year are eligible to receive their benefits if they comply with the terms of the agreement. Over 100 students are enrolled and taking courses towards a teaching credential. Approximately 87 teachers providing eligible teaching service are receiving their SNAPLE NF benefits for completing their first, second, third year of teaching. It is projected that \$725,000 will be paid out for teachers who provide qualifying teaching service during the 2014-15 school year. Based on the current number of participants and expected teaching dates, the program is not expected to phase out completely until the 2020-2021 fiscal year.

SNAPLE for Nurses in State Facilities (SNAPLE NSF)

The State Nursing Assumption Program of Loans for Education for Nurses in State Facilities (SNAPLE NSF) was established in 2006. The program was designed to encourage students who will become registered nurses to seek employment in state-operated 24-hour facilities with a registered nurse vacancy rate of greater than 10 percent.

The Commission was authorized to issue 40 Loan Assumption Agreements beginning in 2006-07 and 100 agreements for subsequent academic years. Chart 5 shows the number of new participants by year and identifies those years that did not meet the authorized number of allocations. The law specified the program would become inoperative on July 1, 2012 and established a sunset date of January 1, 2013

**Chart 5
SNAPLE NSF Loan Assumption Agreement Allocations**

Academic Year	LAA Allocations	New Participants
2006-2007	40	5
2007-2008	100	5
2008-2009	100	2
2009-2010	100	7
2010-2011	100	8
2011-2012	100	1
July 1, 2012 – Became inoperative	0	0

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Application and Selection Process

Applicants submitted completed applications to the office of the director of their nursing program at their institution for nomination. Participating institutions forwarded their nominations to the Commission for review and selection. Points were assigned to each applicant and those nominations with the highest points were offered a Loan Assumption Agreement to participate in the program.

Each year, the Commission staff partnered with the Office of Statewide Health Planning and Development (OSHPD) and the Board of Registered Nursing to promote the program and present at information at various events. However, the applicant pool was low each year and those participants self-withdrew from the program or became ineligible to continue participation prior to becoming eligible for a loan assumption payment.

Program Eligibility Requirements

SNAPLE NSF applicants must meet specified conditions which include:

- Have completed a minimum of 60 postsecondary semester units or the equivalent.
- Be currently enrolled in or admitted to a pre-licensure nursing program in which he or she will be enrolled on a full-time basis each academic term, or have completed a pre-licensure nursing program within the award year he or she applies for the program.
- Maintain satisfactory academic progress.
- Nominated by a participating postsecondary institution based on having outstanding ability on the basis of criteria determined by the institution.
- Have received, or approved to receive, an educational loan.
- Sign a Loan Assumption Agreement to become a registered nurse in an eligible position in a State operated facility on a full-time basis for four consecutive years.

SNAPLE NSF Benefits

SNAPLE NSF participants must provide a full year of full-time nursing in an eligible state operated facility to be eligible for payment. To receive maximum loan assumption benefits of \$20,000, participants be employed for four (4) consecutive years. Based on the participant's June 30 outstanding loan balance, payments are made directly to the lender and applied accordingly. Chart 6 identifies the payments for each year of full time service.

Chart 6
SNAPLE NSF PROGRAM BENEFITS

After Completion of:	Loan Assumption Amount
First Year	\$5,000
Second Year	\$5,000
Third Year	\$5,000
Fourth Year	\$5,000
Maximum Benefits	\$20,000

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SNAPLE NSF Phase Out

All participants who signed loan assumption agreements prior to the 2012-13 academic year have been withdrawn and are not eligible to receive their benefits. No loan assumption payments were paid out as no participant met the requirements of their loan assumption agreements.

Other loan assumption or repayment programs

The Commission has administered various loan repayment programs to attract and retain well-qualified individuals in specialized shortage areas. Loan repayment programs assist with the repayment of qualified educational loans in return for providing services in designated areas of need. Chart 7 provides a list of the loan assumption programs administered by the Commission and their designated shortage areas.

Chart 7
Other Loan Assumption or Repayment Programs

Program	Shortage Area	Funding Years	Active Participants
Assumption Program of Loans for Education	Public K-12 Teachers	1986-2012	Yes
Child Development Teacher Loan Assumption Program	Child Development Professionals	1992-1997	No
Graduate Assumption Program of Loans for Education	College Faculty	1998-2003	Yes
John R. Justice Student Loan Forgiveness Program	Public Defenders and State Prosecutors	2011-2014	Yes
National Guard Assumption Program of Loans for Education	National Guard Members	2004-2008	No
Public Interest Attorney Loan Repayment Program	Public Interest Attorneys	No Authorized Funds	NA

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