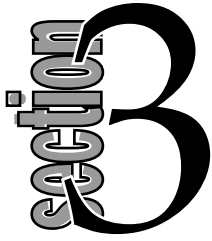


Archived Information



Paul Douglas Teacher Scholarship Program

As stated in the introduction of this chapter, funding for the Paul Douglas Teacher Scholarship Program (Douglas Scholarship) has not been authorized for the 1997-98 award year. While no new scholarships will be awarded, students who have outstanding Douglas Scholarships must continue to fulfill the scholarship agreement they entered into with their state agencies (to teach upon completion of their degree program). If a student is still enrolled and working toward his or her degree, that student will need to fulfill the agreement upon completion of the degree for the number of Douglas Scholarships received. A Douglas Scholar who needs assistance in finding alternative sources of aid to complete his or her degree program or has further questions about the program may wish to contact the Douglas Program representative listed in Section 5 of this chapter.

This section covers the teaching agreement in detail (for example, how many years the Douglas Scholar must teach depending on the number of scholarships received) and explains the repayment procedures that are used if the agreement is not followed.

***Scholar
agrees to
teach***

SCHOLARSHIP AGREEMENT

Any individual who received scholarships entered into an agreement with his or her state agency stating that upon completing his or her degree program, he or she will teach

- ◇ full time in any state at the public or private nonprofit preschool, elementary, or secondary level in a school; or
- ◇ full time in a private nonprofit institution, children with disabilities or with limited English proficiency.

**Determining
full-time
teacher
status**

In determining that a scholar has taught full time, the chief state school officer (CSSO),¹ school principal, or a designee of these officials should consider the following:

- ◇ Any activities required to support classroom teaching, such as testing and evaluation of students, a reasonable allowance for “prep time,” or other required activities may be considered in addition to classroom hours.
- ◇ Full-time substitute teaching may be credited toward the teaching obligation, provided that the scholar teaches a minimum of one term each school year. Credit for one term or more of teaching will be prorated if it is less than a full school year.
- ◇ Scholars who are technically classified as part time but whose teaching schedule is the equivalent to the typical full-time teacher may receive credit as having taught full time.
- ◇ If a scholar teaches less than a full school year, then teaching during summer school may be credited toward the teaching obligation. Other conditions contained in this section apply to teaching summer school.
- ◇ A teaching contract is not required in the employment situations listed previously in order to receive credit toward the teaching obligation.
- ◇ Scholars who are still teaching may receive credit previously denied for prior years under the liberalized conditions of this section. The state is encouraged to advise scholars of these changes so that the scholar may request review of teaching credit by the state or request a revised teaching certification form (or forms) for reevaluation by the school principal or CSSO’s office.

Activities not acceptable as credit toward the teaching obligation include

- ◇ serving as a teacher’s assistant or teacher’s aide,
- ◇ serving a teaching internship (student teaching), and
- ◇ teaching overseas (including in U.S. Department of Defense Dependent schools).

¹The CSSO is the highest ranking educational official for elementary and secondary education for the state.

Furthermore, volunteer activities may not be credited in classifying the scholar as teaching full time.

REDUCED TEACHING REQUIREMENT

The requirement to teach two years for each year of scholarship assistance is reduced by half if the scholar teaches on a full-time basis in a teacher shortage area that is designated as such by the Secretary of Education (the Secretary). States may propose for the Secretary's consideration teacher shortage areas at the preschool, elementary, and secondary school levels.

Also, if a scholar teaches full time and also teaches at least one class per day in a teacher shortage area, the scholar may receive the reduction of teaching obligation allowed for teaching in a shortage area. (This liberalization does not apply to Stafford or SLS loan deferments.)

TEACHER SHORTAGE AREA

For Douglas Scholars, teaching in a teacher shortage area is described further in Section 653.61 of the August 11, 1993 Douglas Program regulations. The term "teacher shortage area" is defined in §682.210(q)(5) through (7) of the Federal Family Education Loan Program (FFELP) regulations published on December 18, 1992. Douglas Scholars teaching in a shortage area may obtain certification in one of two ways:

- ◇ If the CSSO in the state where the scholar is teaching has previously notified the Secretary that a listing of teacher shortage areas will be provided to the school principal, then the school principal can certify that the scholar is
 - teaching full time and
 - teaching in a federally approved teacher shortage area.
- ◇ If the CSSO in the state where the scholar is teaching did not delegate certification authority to the school principals, then the CSSO's office will provide the certification.

The FFEL regulations also describe other procedures necessary to establish teacher shortage areas. The teacher shortage areas are designated on an annual basis. However, a scholar who teaches in an area designated as a teacher shortage area in one year will continue to qualify for the teaching reduction even if that area is not designated as a teacher shortage area in subsequent years. In this case, the scholar must provide the state agency with a statement from the principal of the school in which he or she is teaching. This statement must certify that he or she continues to be

***Scholars
teaching in
designated
areas continue
to qualify***

**Establishing
teacher
shortage
areas**

employed as a full-time teacher in the same area in which he or she was teaching when the teaching obligation was originally reduced.

When establishing a teacher shortage area, the Secretary must give special consideration to

- ◇ areas in which emergency teacher certifications are being used to correct teacher shortages, and
- ◇ states that have retirement laws permitting early retirement.

***REPAYMENT OF SCHOLARSHIP IF STATE AGENCY/SCHOLAR
AGREEMENT IS NOT FULFILLED***

**Repayment
includes
interest**

If the state finds that a Douglas Scholar has not complied with the scholarship agreement or is no longer pursuing a course of study leading to certification as a teacher at the public or private nonprofit preschool, elementary, or secondary level, the scholar must repay the amount of the scholarship received. The repayment is prorated according to the fraction of the teaching obligation not completed (as determined by the state agency). The scholar, in this case, is also responsible for paying a simple, annual interest charge on the outstanding principal, and all reasonable collection costs as determined by the state agency.

The state agency capitalizes any accrued interest at the time it establishes the scholar's repayment schedule. By statute, the interest rate charged must be the greater of the rate charged to new borrowers under the Stafford Loan Program or the rate charged to new borrowers under the PLUS Program. During 1996-97, for loans made from July 1, 1996 through June 30, 1997, the rate was 8.72 percent. For 1997-98, the rate will be adjusted on July 1, 1997.

Simple interest accrues

- ◇ from the date of the initial scholarship payment if the state agency has determined that the scholar
 - is no longer pursuing a course of study leading to certification as a teacher at the preschool, elementary, or secondary level; or
 - has completed a course of study leading to certification as a teacher at the preschool, elementary, or secondary level, but never taught; and

- ◇ from the day after that portion of the scholarship period for which the teaching obligation has been fulfilled. (The scholarship period is the original postsecondary academic year for which the scholarship was awarded.)

The scholarship must be repaid in monthly or quarterly payments that cover principal, interest, and collection costs, according to a schedule established by the state. The minimum yearly repayment is \$1,200 or the unpaid balance (whichever is less).

Minimum yearly repayment

The scholarship must be completely repaid within 10 years after the scholar enters repayment status, and the state may require the scholar to repay more than the minimum yearly repayment if needed to complete the entire repayment within the 10 year period.

Time allotted for Scholarship repayment

The 10-year repayment period may be extended if the scholar meets an “exceptions to repayment” condition. The state agency shall not consider that the scholar has violated the repayment schedule if he or she does not meet the payments during the time he or she is

Exceptions to repayment

- ◇ engaged in a full-time course of study at a postsecondary institution;
- ◇ serving up to a maximum of three years as an active duty member of the armed forces of the United States;
- ◇ serving as a member of the Peace Corps or VISTA for a period of not more than three years;
- ◇ temporarily totally disabled for a period not to exceed three years (as established by sworn affidavit of a qualified physician);
- ◇ seeking but unable to find full-time employment for a single period not to exceed 12 months;
- ◇ unable to secure employment for a period not to exceed 12 months while caring for a disabled child, spouse, or parent; or
- ◇ unable to satisfy the terms of the repayment schedule while seeking but unable to find full-time employment as a teacher in a public or private nonprofit preschool, elementary, or secondary school for a single period not to exceed 27 months.

A scholar may potentially qualify for more than one of the above exceptions to repayment, provided that the exception is adequately documented as determined by the state agency. Scholars residing overseas

Qualifying for more than one exception

may apply for any of the exceptions listed, but the scholar must provide documentation deemed acceptable by the state.

**Notifying
the state
agency**

To qualify for any of the previously listed exceptions, the scholar must notify the state agency of his or her claim and provide supporting documentation as required by the state agency. If the scholar qualifies under any of the exceptions, he or she will not be required to make repayments—*nor will interest accrue*—on the outstanding balance. The state agency will notify the scholar about its determination of the scholar’s qualification for the exception for which he or she petitioned the state.

**Length of
extension**

The state agency shall extend the 10-year scholarship repayment period by a period equal to the length of time a scholar

- ◇ meets any of the “exceptions to repayment” conditions previously listed; or
- ◇ is unable to complete the scholarship repayments within this 10-year period because of his or her financial condition (as established to the state’s satisfaction).

Cancellation

The state agency shall cancel a scholar’s repayment obligation if the state determines

- ◇ on the basis of a sworn affidavit by a qualified physician, that the scholar is unable to teach on a full-time basis because he or she is totally and permanently disabled; or
- ◇ on the basis of a death certificate or other evidence, conclusive under state law, that the scholar has died.