



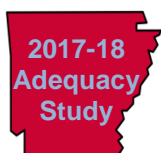
Research Report

Selected Issues Affecting Teacher Recruitment & Retention

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Prepared for

**THE HOUSE INTERIM COMMITTEE ON EDUCATION
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**



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INTRODUCTION

As part of the 2018 adequacy study, the Bureau of Legislative Research (BLR) was asked to examine teacher recruitment and retention issues, in addition to the statutorily required analysis of teacher salaries. As part of the House and Senate Education Committees' review of teacher recruitment and retention efforts, the Arkansas Department of Education (ADE), in a separate report, will examine data on the supply, distribution, and attrition of public school teachers in Arkansas public school districts and public charter schools. This BLR report will supplement ADE's analyses by providing information on several additional issues and efforts affecting schools' ability to attract and retain qualified teachers. This report provides a summary of relevant findings from BLR's survey of school superintendents and teachers, as well as from interviews with principals conducted during site visits to a randomly selected sample of schools. The BLR examined teacher salaries in June 2018, but this report focuses on a separate part of the compensation package—health insurance. And this report provides information on trends in existing state financial incentives designed to attract teachers to particular districts and disciplines.

WORKFORCE STABILITY INDEX

In 2014, the U.S. Department of Education began its Excellent Educators for All Initiative, which required states to assess students' access to quality educators and develop a plan to ensure students in high poverty and high minority districts have the same access to high quality teachers as students in low poverty and low minority districts. The Initiative required states to analyze their educator data to ensure that poor and minority students are not disproportionately taught by inexperienced, unqualified or out-of-field teachers. Then in 2015, the Every Student Succeeds Act established a new requirement that states include measures of teacher quality in their school performance reporting. The following pages provide one combined indicator ADE has developed to measure districts' teacher workforce stability.

The Workforce Stability Index (WSI) is an index developed by ADE meant "to help inform school districts regarding considerations for recruiting, assigning, and retaining a quality educator workforce."¹ The index includes factors "determined to be relevant to educator quality." For the 2016-17 school year, the WSI was based in equal parts on the following:

- Percentage of teachers considered inexperienced: Teachers in the district who are in their first three years of teaching
- Percentage of teachers teaching out-of-field: Teachers in the school or district who are teaching at least one class on an Additional Licensure Plan
- Percentage of provisionally licensed teachers: Teachers in the school or district who are teaching on a provisional license
- Percentage of attrition: Teachers who were in the district last year who did not return to that district this year

Beginning in 17-18, WSI will replace the percentage of teachers provisionally licensed in the index calculation with the percent of teachers deemed ineffective by the performance evaluation tool known as the Teacher Excellence and Support System (TESS).

The WSI is provided by ADE on its My School Info website, and districts' indexes are calculated based on data districts report through APSCN. Any errors in districts' reporting will affect the calculations ADE provides.

¹ Arkansas Department of Education, <https://myschoolinfo.arkansas.gov/FAQ/Personnel#group-48>

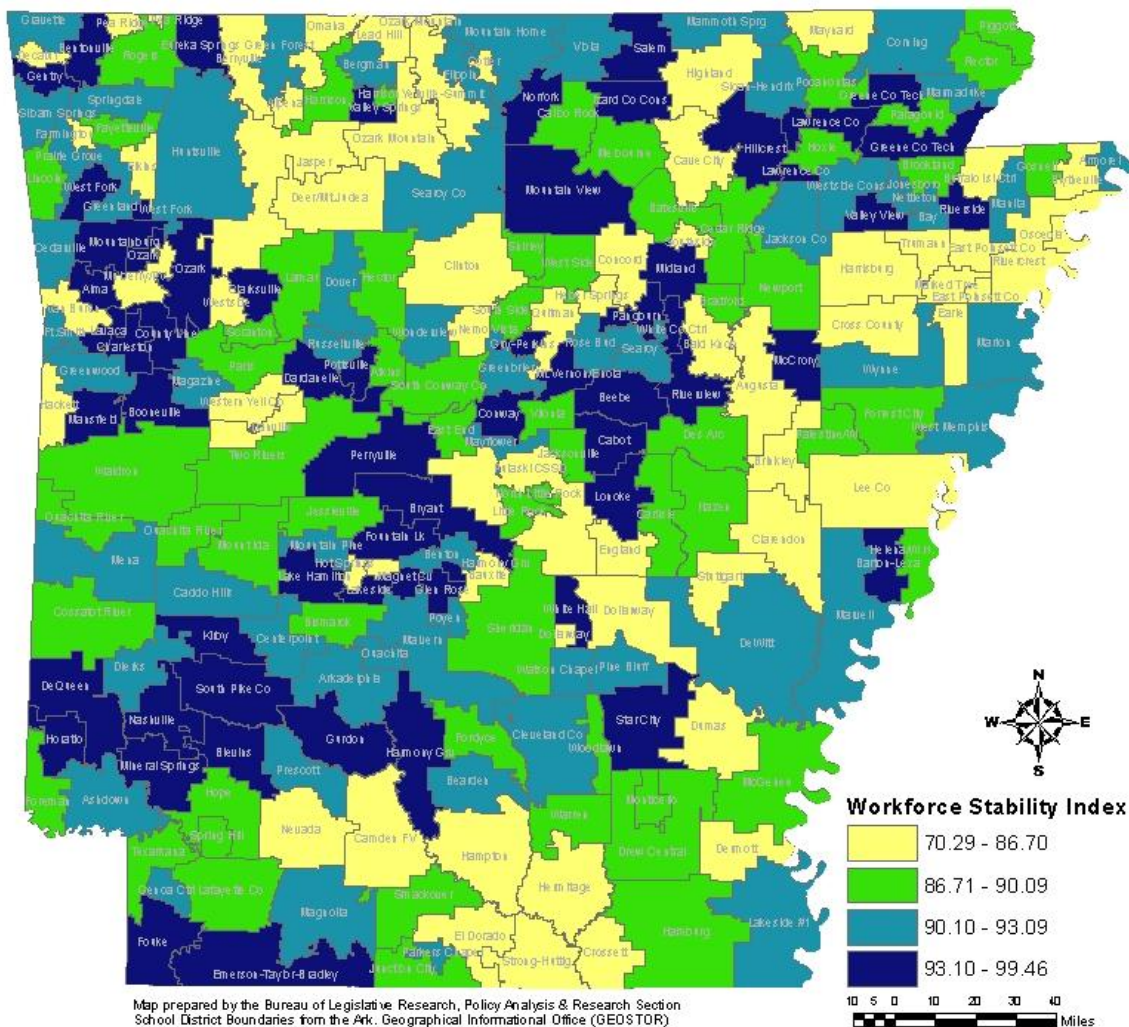
The 2016-17 data suggest that districts with more stable workforces have higher minimum salaries, higher average salaries, and lower poverty. There does not appear to be a relationship between a districts' size and their WSI.

	Workforce Stability Index	Avg. District Minimum Salary	Avg. Dist. Avg. Salary	Avg. Enrollment	Avg. FRPL
Less stability	Quartile 1: 70.3-86.7	\$32,922	\$43,529	1,333	72.23%
	Quartile 2: 86.7-90.1	\$33,436	\$45,066	2,195	67.09%
	Quartile 3: 90.3-93.0	\$34,771	\$46,846	2,335	64.49%
More stability	Quartile 4: 93.1-99.4	\$35,051	\$47,433	2,017	61.27%

Data Sources: ADE, 2016-17 Teacher Salary Schedule Analysis; 2016-17 District Average Salary as calculated by BLR, <http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2018/2018-06-19/TeacherSalaryReportREVISED6-21-18.pdf>, ADE Data Center, 2016-17 Oct. 1, enrollment, 2015-16 free and reduced price lunch percentages, as used to calculate 2016-17 NSL funding amounts.

The following map shows each district's workforce stability index in 2016-17.

Workforce Stability Index



BLR SURVEYS OF SUPERINTENDENTS & TEACHER PERCEPTIONS

As part of the 2018 Adequacy Study, the BLR visited a randomly selected, representative sample of 73 schools and interviewed their principals. Teachers in the 73 schools were also invited to complete an online survey. BLR also distributed online surveys to all superintendents and directors of all open-enrollment charter schools. To elicit the most candid responses, superintendents and teachers were assured their responses would not be individually identified; therefore, responses are provided only in aggregate. The questions and responses described below are related to teacher recruitment, retention, and working conditions. Responses to other survey questions have been presented in other reports throughout the Adequacy Study process. It is important to note that BLR's survey relies on self-reported data and measures respondents' *perceptions* of these issues.

SUPERINTENDENT SURVEY

The superintendent survey was conducted using an online questionnaire. The survey was distributed beginning October 6, 2017, and the last district responded January 24, 2018. The BLR received responses from all 235 school districts and 24 open enrollment charter schools. The survey asked superintendents two separate questions regarding teacher recruitment and retention.

Superintendent Survey Question: Rank the teacher RECRUITMENT issues facing your district, where 1 is the MOST SIGNIFICANT ISSUE or barrier and 10 is the LEAST SIGNIFICANT ISSUE or barrier.

The numbers for each column below represent the number of districts that ranked each barrier as indicated. The bolded numbers show where the highest number of districts ranked each barrier.

Issues	1	2	3	4	5	6	7	8	9	10
Difficulty in offering competitive salaries	127	43	18	22	11	10	3	9	10	5
Cost of health insurance	15	60	47	22	34	20	21	17	12	10
Retirement benefits	0	2	16	26	33	39	30	22	35	54
Location of district or individual school	23	44	27	39	38	28	19	13	14	12
School/district reputation or school accountability label	4	8	16	15	25	28	27	37	39	58
School or district-level leadership	1	1	4	11	13	13	33	52	75	54
Scarcity of appropriately licensed teachers	64	56	46	37	13	17	8	10	4	3
Student population	7	12	23	19	28	36	48	44	24	16
Inadequate community or parent support	3	4	11	21	30	40	58	37	31	22
Inadequate housing options in the area	14	28	50	46	32	26	10	16	13	23

Superintendent Survey Question: Rank the teacher RETENTION issues facing your district, where 1 is the MOST SIGNIFICANT ISSUE and 11 is the LEAST SIGNIFICANT ISSUE.

Issues	1	2	3	4	5	6	7	8	9	10	11
Difficulty in offering competitive salaries	138	37	19	15	13	6	7	5	10	2	6
Cost of health insurance	11	55	39	38	29	21	8	17	10	19	11
Retirement benefits	0	3	21	14	25	26	34	25	30	39	40
Location of district or individual school	19	29	37	26	31	25	29	21	16	15	9
School/district reputation or school accountability label	2	8	13	13	19	19	23	26	39	50	45
School or district-level leadership	2	2	2	12	7	23	26	39	42	55	47
High demand for teachers with certain credentials	45	59	44	22	28	16	19	9	11	4	1
Student population	4	10	16	19	24	31	41	43	32	18	19
Inadequate community or parent support	3	1	10	16	24	45	35	37	40	20	26
Inadequate housing options in the area	12	24	28	34	31	27	17	20	14	23	27
Teachers leaving the profession	22	30	29	49	26	18	18	15	13	12	26

The top factor cited by superintendents as barriers to both teacher recruitment and retention was difficulty in offering competitive salaries. Other significant barriers to recruitment were scarcity of appropriately licensed teachers, the cost of health insurance, and the location of the district or school. Barriers to retention also included high demand for teachers with certain credentials and cost of health insurance.

Retirement benefits was the only issue that no district ranked as the most significant issue or barrier for either retention or recruitment.

In the 2016 Adequacy Study, as in 2018, the top factor cited by superintendents as barriers to both teacher recruitment and retention was difficulty in offering competitive salaries. The next three highest factors for *recruitment* were the same in 2016 as in 2018 (scarcity of appropriately licensed teachers, cost of health insurance, and location of the district or school).

In the 2016 survey, superintendents included as significant barriers to *retention* teachers leaving for bigger districts and the high demand for teachers with certain credentials. However, in 2018, the retention issues that ranked highest after difficulty in offering competitive salaries were the cost of health insurance and high demand for teachers with certain credentials, followed by inadequate housing options and teachers leaving the profession. Inadequate housing options was added as a response to the question in the 2018 Adequacy Study, due to a number of principals mentioning this issue in previous site visits.

In addition to the two questions above, the district survey included a place for superintendents to leave comments. Twelve superintendents' comments addressed teacher recruitment and retention. The most frequently mentioned item in the comments was teacher salary; six of the twelve comments mentioned salary. Below are representative comments:

“My district has a lot of turnover each year because of our salaries and it is very expensive to provide a young teacher with the training they need to be successful.”

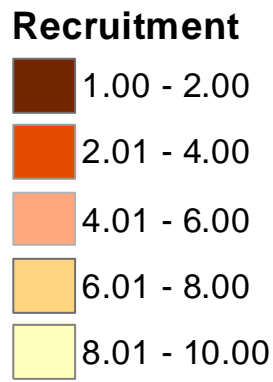
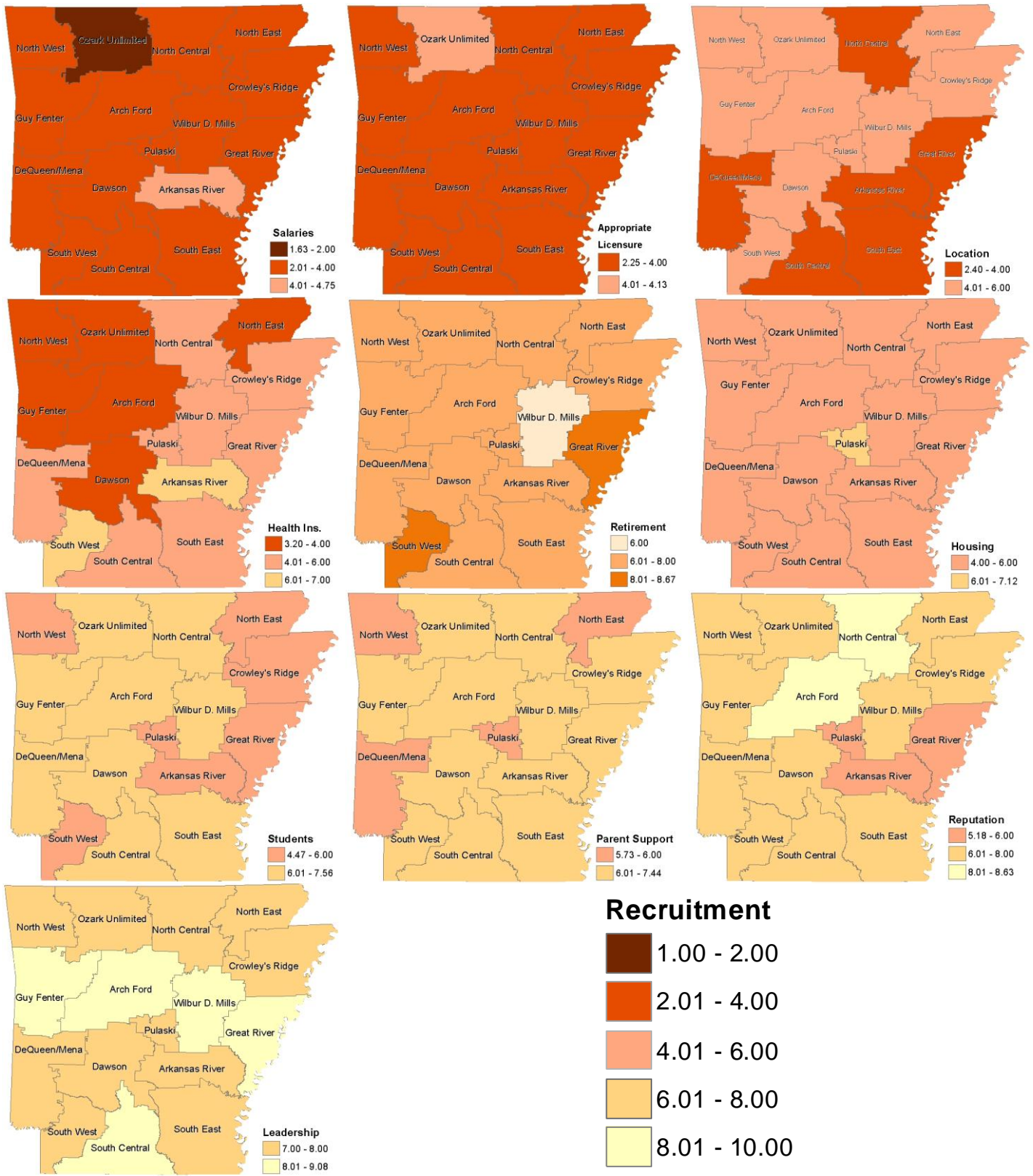
“The huge disparity between the salaries in other parts of the state compared to this part of the state makes the market in other areas so significantly more appealing it is hard [for teachers] to say no.”

Regional Variation in Teacher Recruitment and Retention Survey Responses

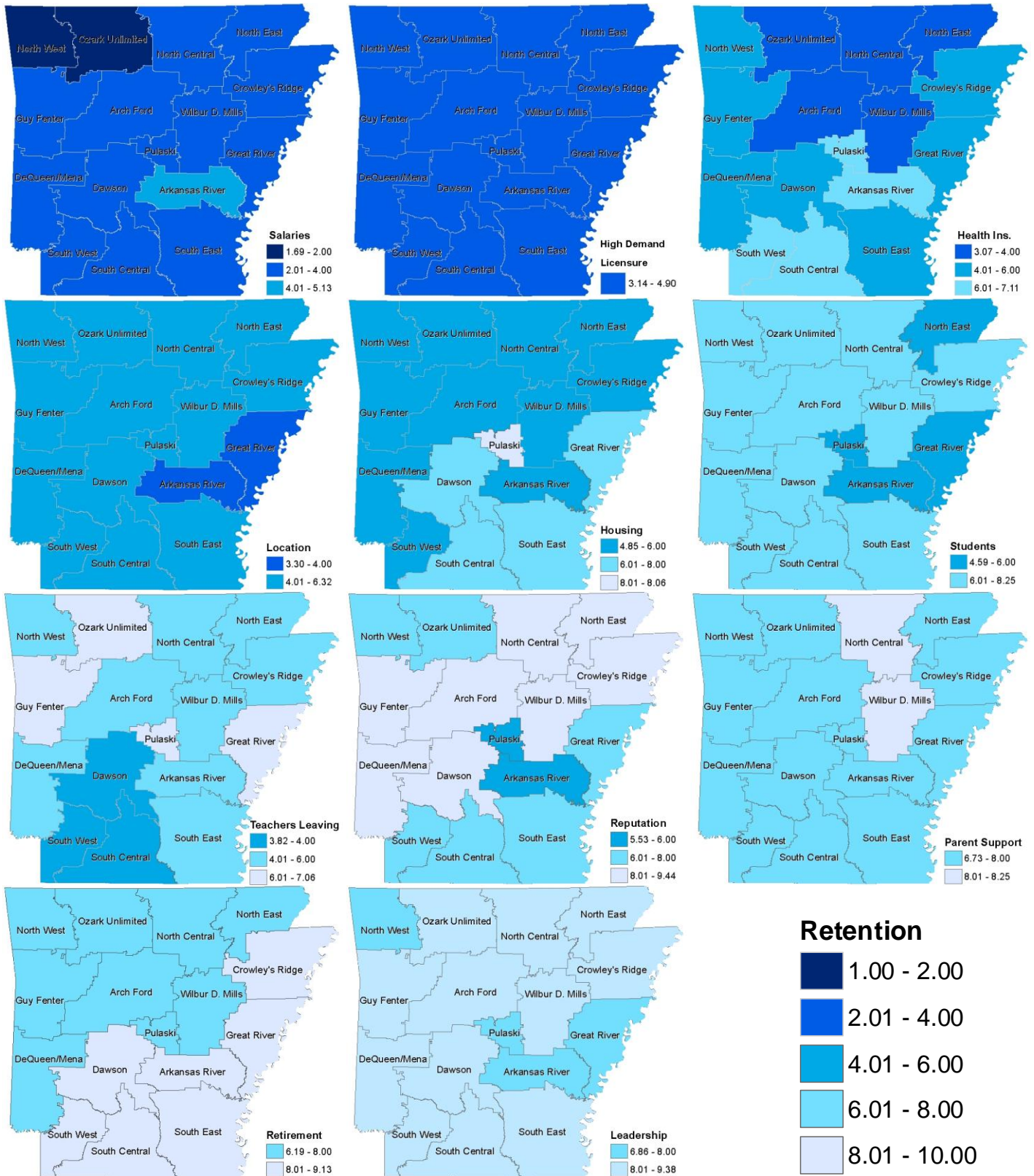
The following maps illustrate the regional variation in the results of the above questions. Because the BLR assured districts that individual responses would not be revealed, the BLR opted to show the responses by educational service cooperative.

Districts were divided into the 15 educational service cooperatives. Then the districts' rankings were averaged. For example, if two districts in a cooperative indicated that difficulty in offering competitive salaries was the most significant barrier (1), and two districts indicated that it was the third most significant barrier (3), the average ranking of the salary issue for the cooperative would be a 2. The same analysis was done for each issue and for each cooperative and shown on the attached maps. Lower values indicate higher significance as a barrier.

Teacher Recruitment Barriers



Teacher Retention Barriers



PRINCIPAL INTERVIEWS DURING SITE VISITS

BLR's school visits and principal interviews began October 23, 2017, with the final visits on January 11, 2018. The BLR visited a total of 73 schools and interviewed the principals of those schools. Some schools invited other staff members to the interviews, and some included their superintendents in the conversation.

The questions asked in the site visits did not directly address teacher recruitment and retention. However, the site visits included a question asking if the principals had anything else they would like the General Assembly to know. As with the superintendent survey, the principals frequently mentioned teacher salary as an issue of concern. Eighteen principals' comments mentioned a teacher recruitment or retention issue. Below are representative comments, as recorded by the BLR interviewers' notes:

Pay my teachers more. Lower health insurance. Those are the two big things. Overall, teachers are underpaid and insurance is extremely high.

Also need to advocate for more teachers -- retaining teachers is a big issue. When they can go from one district to another with less stress /same or more pay.

Close teacher salary gap: hard to keep good teachers that meet state certification requirements since nearby bigger schools can offer them more money where they will likely teach less.

TEACHER SURVEY

For the BLR's online teacher survey, only certified teachers in the 73 randomly selected schools were invited to respond. Each selected school's principal was asked to provide the name of a teacher or staff member who would distribute the teacher survey instructions to his/her colleagues. Generally only certified teachers assigned to teach a class were invited to complete the survey (i.e., not administrators), but the survey pool also included guidance counselors, English as a second language teachers, alternative education teachers, library/media specialists and instructional facilitators, regardless of whether they were assigned to teach a class. Teachers accessed the survey online using an individual code distributed to them by the teacher representative assigned by the principal. A total of 2,875 surveys were distributed, and 1,199 teachers responded by February 15, 2018, for a response rate of nearly 42%.

The following questions were included, among others, on this survey. The following tables and charts summarize these teachers' responses about questions related to teacher recruitment, retention, and working conditions.

Teacher Survey Question: What were the primary reasons you chose to teach at your current school? Select as many as apply.

	# of Respondents	% of Respondents
Location	691	57.6%
Proximity to Family	436	36.4%
School's Rating or Reputation	334	27.9%
Salary	252	21.0%
School Leadership	239	19.9%
Student Population	221	18.4%
Other	154	12.8%
Spouse's Occupation	125	10.4%
Benefits	123	10.3%
Workload	43	3.5%

The majority of teachers (57.6%) responding to the survey cited location as the number one reason they chose to teach at their current school, followed by proximity to family (36.4%). A little more than a quarter of teachers said their school's rating or reputation (27.9%) also played a role in their decisions; around one-fifth of teachers said salary (21.0%) also played a role in their decisions.

Those same four responses were the highest-rated responses in the 2016 teacher survey. However, the percentage of teachers listing location as the number one reason they chose to teach at their current school was much higher in 2016 (72.2% as opposed to 57.6%). This difference may be related to the location of schools randomly selected to participate in the teacher survey.

Furthermore, as in 2016, the second highest-rated reason was proximity to family. However, as with location, the percentage of teachers responding that proximity to family was the primary reason they chose to teach at their current school was lower in 2018 than in 2016, with only 36.4% of teachers choosing proximity to family in 2018, as opposed to 42.7% in 2016.

The percentage of teachers choosing the school's rating or reputation as a primary reason for teaching at their school increased from 2016 (25.1%) to 2018 (27.9%). The percentage of teachers citing salary as the primary reason for teaching at their school was about the same in 2018 (21.0%) as 2016 (22.3%).

With the possible responses listed in order from highest percentage of teachers choosing each option to the lowest percentage, the 2016 and 2018 lists have the same order, with the exception of student population and other. In 2016, the percentage of teachers choosing student population was 13.6%, and the percentage of teachers choosing other was 18.1%. They switched order in 2018, but still fell between school leadership and spouse's occupation.

Teacher Survey Question: Under what conditions, if any, would you be willing to relocate to teach at a school in a high-poverty or remote rural community? Select as many as apply.

Responses	# Teachers	%
Already working in high-poverty or remote rural community	510	42.5%
Higher salary	420	35.0%
None	291	24.3%
Better benefits	219	18.3%
Moving to a community nearer family or friends	195	16.3%
School leadership	195	16.3%
Other	60	5.0%

Nearly 43% responded that they already do work in a high-poverty or remote rural community. Around one-third of teachers (35.0%) stated that they would be willing to relocate to a high-poverty or rural community for a higher salary. Around a quarter of teachers (24.3%) indicated they would not be willing to relocate to teach at a school in a high-poverty or remote rural community. Almost one-fifth of teachers indicated that they would be willing to relocate for better benefits.

In the 2016 teacher survey, more than half of teachers (52.9%) responded that they would be willing to relocate to a high-poverty or rural community for a higher salary, and around one-third (30.3%) indicated they would relocate to those areas for better benefits. Another third (31.7%) chose "none", indicating that they would not be willing to relocate.

The option for teachers already working in a high-poverty or remote rural location was added for the 2018 survey based on responses from the 2016 survey. In the 2016 survey, 7.7% of the respondents answered "other" and many of those respondents indicated that they already worked in a high-poverty or remote rural community. The same reasoning may have been true for many teachers who selected "none" in the 2016 survey. This difference in the options may explain some of the difference in the percentages of teachers willing to relocate for a higher salary (35.0% in 2018 versus 52.9% in 2016) and better benefits (18.3% in 2018 versus 30.3% in 2016).

Teachers who chose “other” were provided space to leave a comment. Of the 60 teachers who provided comments, five stated that the teacher already taught in a high-poverty or remote rural school. Thirteen teachers indicated they would be willing to relocate for a different position, especially a move into administration. Six teachers mentioned student loan forgiveness. Other answers included that the teachers enjoyed teaching in their current school and did not want to move, and that the respondents would be willing to relocate for a spouse’s job.

Teacher Survey Question: Are you currently considering transferring to another school or district?

Responses	# Teachers	%
Yes	243	20.3%
No	945	78.8%
No answer (blank)	11	0.9%

Teacher Survey Question: If you answered “Yes” above, why? Please select the primary reasons.

Responses	# Teachers	%
Higher pay	115	47.9%
Stress/workload	100	41.7%
Location	85	35.4%
Leadership	71	29.6%
Student discipline	62	25.8%
Personal reason (spouse’s job change, aging/ill parent, etc.)	55	22.9%
Different position	55	22.9%
Paperwork and bureaucratic issues	52	21.7%
Other	17	7.1%
Student population	16	6.7%
Health insurance benefits	12	5.0%
School’s parent involvement	10	4.2%
Planned downsizing at current school	2	0.8%

Of the 1,199 teachers who responded to BLR’s survey, 243 (20.3%) said they were currently considering transferring to another school. Of these respondents, 240 teachers (98.8%) answered the follow-up question, “If you answered ‘Yes’ above, why?”

The most frequently cited reason for considering transferring to another school was higher pay; almost half of the teachers responding (47.9%) cited higher pay as one of their reasons. Around 40% listed stress and workload as a reason for considering transferring to another school, and more than a third of teachers responding (35.4%) listed location.

Seventeen teachers answered “other”. Their reasons included professional growth opportunities, grade inflation, considering virtual teaching, and a lack of interesting activities in the community.

Teacher Survey Question: Are you currently considering quitting the teaching profession?

Responses	# Teachers	%
Yes	308	25.7%
No	877	73.1%
No answer (blank)	14	1.1%

Teacher Survey Question: If you answered “Yes” above, why? Select the primary reasons.

Responses	# Teachers	%
Stress/workload	198	65.1%
Paperwork and bureaucratic issues	165	54.3%
Lack of respect for the profession	132	43.4%
Salary	124	40.1%
Lack of student accountability	121	39.8%
Student discipline	102	33.5%
Health insurance benefits	65	21.4%
Standardized testing	63	20.7%
Retirement	62	20.4%
Teacher Excellence and Support System	53	17.4%
Leadership	52	17.1%
Lack of parent involvement	38	12.5%
Personal reasons (spouse’s job change, aging/ill parent, etc.)	33	10.9%
Lack of career opportunities	26	8.6%
Personal skills and abilities are better suited to another profession	19	6.3%
Other	8	2.6%

Of the 1,199 teachers who responded to BLR’s survey, 308 (25.7%) said they were currently considering quitting the teaching profession. Of these respondents, 304 teachers (98.7%) answered the follow-up question, “If you answered ‘Yes’ above, why?”

Around two-thirds (65.1%) of teachers currently considering quitting the teaching profession chose stress and workload as one of the primary reasons. More than half (54.3%) chose paperwork and bureaucratic issues. The third most cited reason was lack of respect for the profession, with 43.4% of responding teachers citing lack of respect as a primary reason for considering quitting the profession.

Eight teachers answered “other”. Their reasons included considering retirement, salary and cost of health insurance, workload, and inability to obtain necessary support for students.

Under § 6-17-114, public school districts in Arkansas must provide all classroom teachers with at least 200 minutes each week to schedule time for conferences, instructional planning, and preparation. This time shall be in increments of no less than 40 minutes during the school day, unless a teacher submits a written request to be allowed to have his or her planning time scheduled at some time other than during the student instructional day. BLR’s teacher survey included two questions related to the requirements of this statute.

Teacher Survey Question: Do you receive at least 200 minutes per week to schedule conferences and instructional planning?

Responses	# Teachers	%
Yes, every week	777	64.8%
Most weeks	243	20.3%
Some weeks	64	5.3%
Rarely	31	2.6%
No, never	24	2.0%
Not applicable to my position	43	3.6%
No answer (blank)	17	1.4%

Teacher Survey Question: Are the 200 minutes provided in increments of at least 40 minutes during the instructional day?

Responses	# Teachers	%
Yes, every week	892	74.4%
Most weeks	165	13.8%
Some weeks	43	3.6%
Rarely	19	1.6%
No, never	23	1.9%
Not applicable to my position	48	4.0%
No answer (blank)	9	0.7%

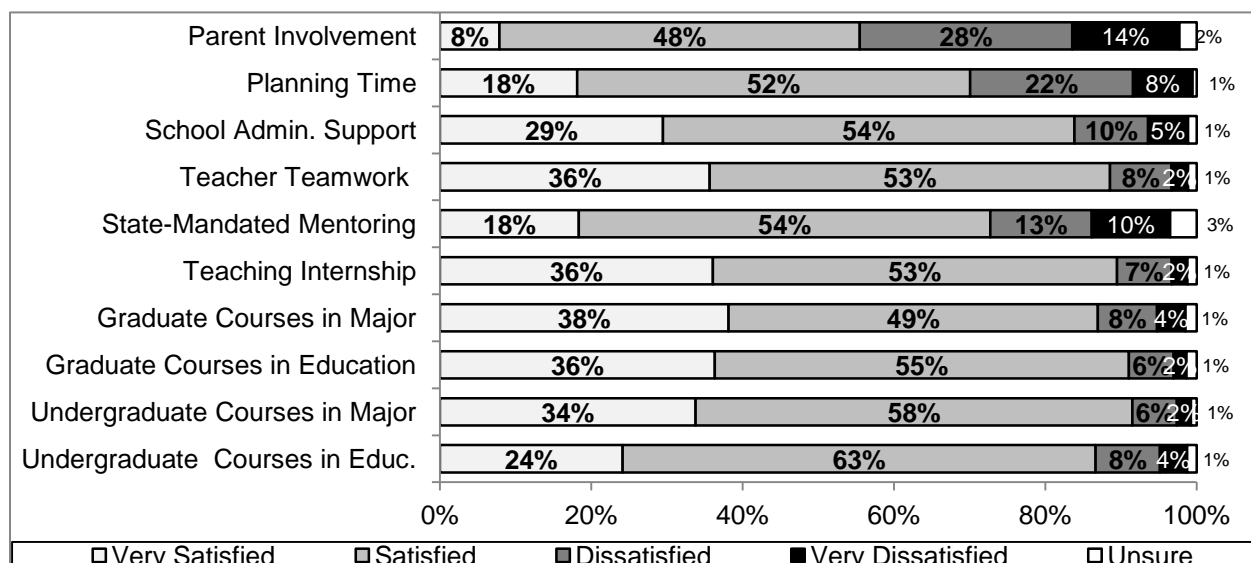
Overall, most teachers (85.1%) responded that their schools were providing the minimum planning time required under statute all or most weeks. However, approximately 7.9% of teachers responded that they did not receive the mandatory 200 minutes per week for the above duties on a regular basis, and 2 percent of teachers did not receive planning time at all. A similar percentage (1.9%) said that they never received at least 40 minutes per day for the above duties, and approximately 5.2 percent of teachers said that they only received the 40-minute daily minimum rarely or in some weeks.

Teacher Survey Question: Please indicate your satisfaction with your teacher preparation and current position. Remember, your name and position will NOT be identified, nor will your responses be shared, except in aggregated data.

The question asked teachers to rate their satisfaction of the following items:

- Parent involvement
- Amount of planning time
- Support from school administration
- Teamwork among teachers
- State-mandated mentoring they received
- Teaching internship
- Graduate courses in major content area
- Graduate courses in education
- Undergraduate courses in major content area
- Undergraduate courses in education

The following chart provides the percentage breakdown of respondents' answers, *excluding those who responded that the item did not apply to them* (e.g., graduate courses for those who have not taken a graduate course).



The category with the highest percentage of teachers stating that they were “very satisfied” was graduate courses in their major content area, with 38% of teachers choosing “very satisfied”. Respondents were also very satisfied with teamwork among their colleagues, their teaching internship, and their graduate courses in education generally.

The categories with highest percentages of teachers stating they were “very dissatisfied” was the parent involvement in their schools, the state-mandated mentoring they received and the amount time they had to plan instruction.

The teacher survey included a place for teachers to leave comments. The comments listed below provide sentiments representative of those related to issues addressed in this report:

“Other state employees also have MUCH better health insurance than teachers.”

“Our health insurance is also a HUGE problem! I teach in a rural community. We do not have a lot of options in terms of professions. There are wonderful teachers who are leaving because of the cost of our health insurance! We could really use more incentives to keep new current teachers. It is getting hard to retain great teachers!”

“Teachers need to be paid enough that we do not need to take on second jobs just to keep our families' bills paid.”

“I think we should make more money. We work hard, come in early, stay late, and take things home to work on. We get paid very little for the amount of work we put in. Many of us spend most of our summers either in Professional Development or working in our rooms without pay. There is also a big discrepancy between administrators and teachers pay. Many teachers have to work an additional job just to make ends meet.”

“Improvements in teacher salaries, and benefits will also attract and help with retaining quality educators. Student loan forgiveness, and more scholarships for education majors, are also a great way to attract young people to education.”

“If AR does not revised the insurance issue for teachers there will be teachers but there will be a lack of GOOD QUALIFIED and caring teachers in the state.”

“I feel that I am not provided the opportunity to grow academically as a teacher. The professional development I receive from my district most often does not apply to what I do. I am not allowed to attend conferences in state or out of state. If I pay for the in or out of state professional development, I have to take a personal day to attend. Education is constantly changing and I feel that I need to keep up with the research so that I can provide research based teaching.”

HEALTH INSURANCE

As noted in the survey responses above, health insurance has been cited by superintendents as an increasingly significant barrier in districts' efforts to recruit and retain teachers. This section of the report provides information about the changes in the state's health insurance plan and its impact on districts and teachers over time.

The Public School Employee Health Insurance Plan has long been funded by three sources:

- A premium payment the employee pays each month
- A monthly contribution paid by each district for each employee participating in the health insurance plan
- Annual lump sum payments the Department of Education pays EBD from funding appropriated for that purpose.

For many years, the plan was supported only through district payments and employee premiums. In 2005, in the midst of the Lake View lawsuit, the General Assembly addressed financial problems with the state Public School Employee Health Insurance Plan, which was said to be "on the brink of collapse".² To resuscitate the program, the General Assembly directed \$35 million in new funding to the Employee Benefits Division to subsidize the cost of public school employees' health insurance. While the Special Masters reviewing the Lake View case for the Supreme Court noted that the increase in funding for insurance was "undoubtedly a good thing", they minimized its importance as a part of an adequate education. They wrote that "its effect upon education is indirect at best and does not excuse the failure to fund educational resources adequately."³

Still, the General Assembly increased the annual direct state payments by \$15 million beginning in FY2010. Despite the funding increases, by 2012, the premiums charged to employees had become unaffordable for many public school employees, and the General Assembly began making significant changes.

Act 517 of 2013 increased the minimum amount districts were required to pay for their employees. For many years, school districts paid EBD a statutorily established minimum of \$131 per month for each participating employee, but Act 517 increased the minimum monthly district contribution to \$150 beginning Jan. 1, 2014. Subsequent legislation required the minimum district contribution to increase annually thereafter. The General Assembly also appropriated a total of \$10 million in General Improvement Funds for teacher health insurance benefits, and \$8 million in funding was provided to replenish the Public School Employee Health Insurance Catastrophic Reserves, which had become depleted. According to EBD at the time, this \$8 million also helped avoid 2013 mid-year rate increases.

Despite the new funding and district contribution rate, the Public School Employees' Health Insurance Plan announced significant rate increases for the 2014 plan year. The board announced that the employees' share of most plan premiums was to increase by about 50% over 2013 rates. In October 2013, Gov. Beebe called a special session to address the issue. The General Assembly passed four measures to generate \$43 million for 2013-14 in one-time funding and \$26.4 million for 2014-15 in new, ongoing funding for the Public School Employees Health Insurance Plan.

Then in the 2nd Extraordinary Session of 2014, the General Assembly passed Act 7, which required public school employees to work an average of at least 30 hours per week to be eligible to participate in the state's health insurance plan. While this change meant that part-time employees would be ineligible for the state health insurance benefits, this ineligibility meant they

² State brief as quoted in the October 3, 2005, Special Masters' Report, page 44.

³ Special Masters' Report, October 3, 2005, page 76.

could qualify for insurance and possibly premium subsidies that were newly available through the Affordable Care Act. Additionally, Act 6 of that same extraordinary session made spouses of public school employees ineligible for insurance through the state's public school employees plan, if they have access to their own employer-sponsored health insurance. Act 6 also prohibited the State and Public School Life and Health Insurance Board from adopting any plans that do not include a deductible. A deductible is an upfront annual charge employees must pay before the plan begins paying for most services. Finally, in May 2014, the State and Public School Life and Health Insurance Board approved a new policy to offer enrollees a \$75 per month discount if they visit a doctor annually for a wellness check-up.

The following table indicates that these efforts and other plan changes helped decrease the premiums paid by public school employees, although the premiums remain well above those paid by state employees participating in the state employee plan, which is also administered by EBD.⁴ The base monthly premium below is the total monthly cost of each plan. The total monthly employee cost is what the employee paid after state and local contributions were applied. The employee share is based on the monthly cost in districts that paid the minimum contribution. Employee premiums were lower in districts offering more generous contributions.

	Base Monthly Premium	Total Monthly Employee Cost	Base Monthly Premium	Total Monthly Employee Cost
	Silver Employee Only		Silver Employee & Family	
2012*	\$401.62	\$157.56	\$1,105.20	\$715.78
2013*	\$370.04	\$157.56	\$1,200.54	\$715.78
2014*	\$426.54	\$173.32	\$1,363.04	\$787.36
	Classic Employee Only With Wellness Visit/Without Wellness Visit		Classic Employee & Family With Wellness Visit/Without Wellness Visit	
2015	\$267.94/\$342.94	\$45.00/\$120.00	\$731.56/\$806.56	\$350.36/\$425.36
2016	\$270.02/\$345.02	\$45.00/\$120.00	\$760.74/\$835.74	\$350.36/\$425.36
2017	\$276.18/\$351.18	\$46.02/\$121.02	\$800.56/\$875.56	\$358.32/\$433.32
2018	\$284.04/\$359.04	\$46.02/\$121.02	\$820.68/\$895.68	\$358.32/\$433.32

*In 2014 and earlier, plans were categorized as Bronze, Silver and Gold. The rates listed above are for the Silver plan. There also was no option for wellness visit discount.

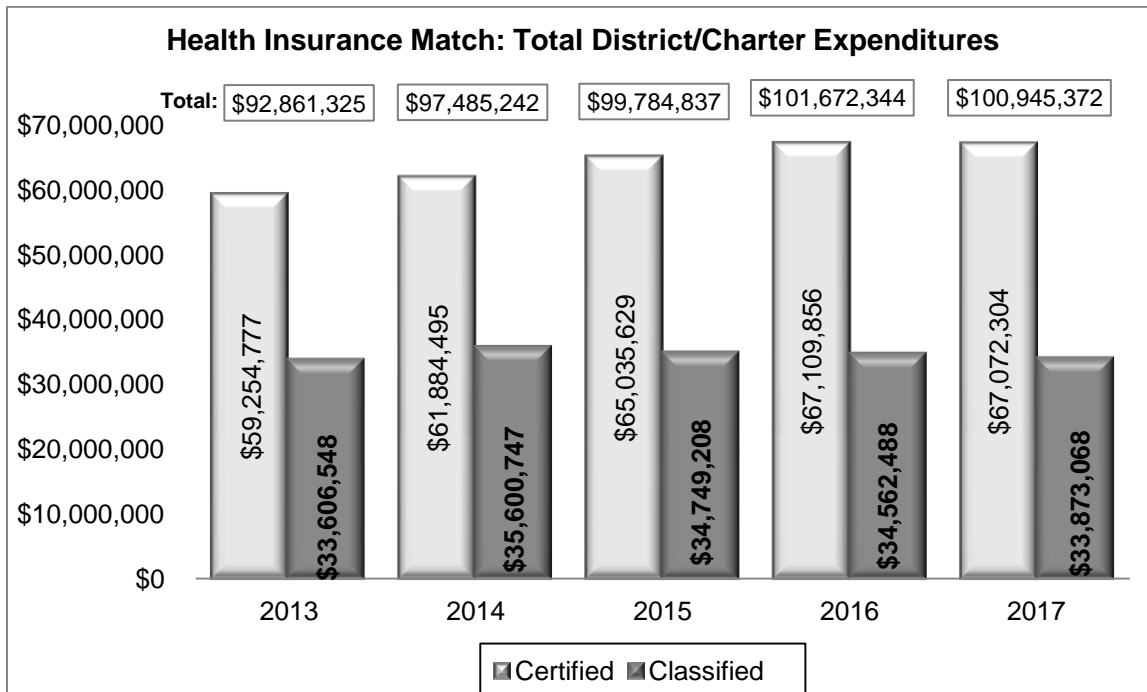
The following table provides the funding ADE paid directly to EBD for the public school Employee Health Insurance program. These figures include funding for employees in other educational organizations beyond the school districts and charter schools, including the education service cooperatives and secondary area vocational centers. The state funding paid directly to EBD for public school employees' health insurance increased by about 142% between 2008 and 2017.

Fiscal Year	Total ADE Payments to EBD
2008	\$38,141,436
2009	\$38,145,368
2010	\$53,445,881
2011	\$53,445,553
2012	\$53,400,152
2013	\$53,504,008
2014	\$96,657,764
2015	\$89,938,675
2016	\$91,794,218
2017	\$92,127,882

Data Source: AASIS

⁴ For comparison's sake, a state employee with a wellness visit would pay \$23.94 per month for a Classic employee only plan and \$157.59 for a Classic employee and family plan in 2018, compared with a school employee who would pay \$46.02 and \$358.32, respectively.

Districts' expenditures also have increased in recent years, although not nearly as dramatically as the direct funding to EBD. Districts and charter school health insurance expenditures increased from about \$93 million in FY2013 to nearly \$101 million in FY17, according to expenditure data districts recorded in APSCN. District expenditures for the health insurance contributions for certified employees increased about 13% in that timeframe, while the contributions for classified employees has been decreasing slightly since 2014. This decrease may be related to the legislation making employees who work fewer than 30 hours each week ineligible for the state health insurance plan.



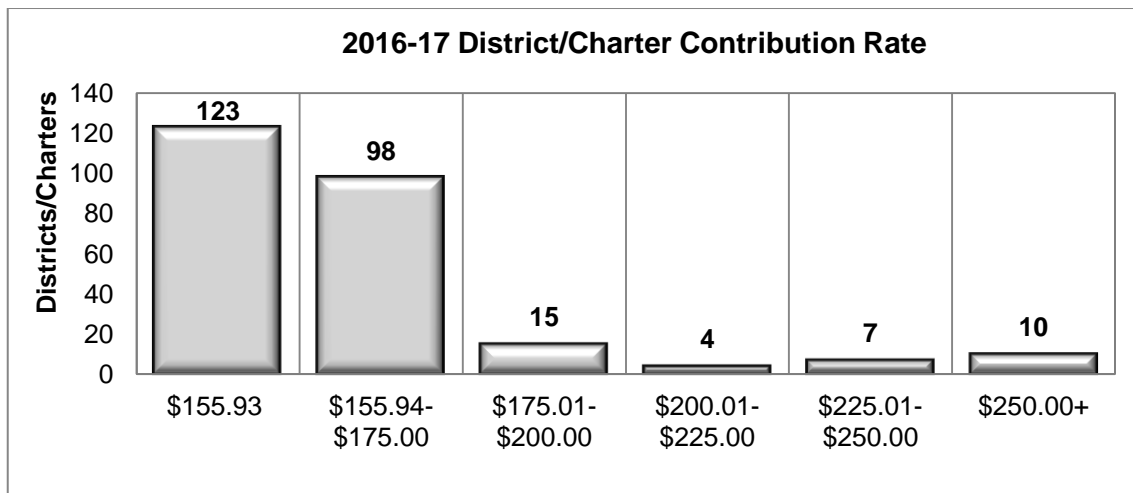
Data Source: APSCN

While state statute requires districts and charter schools to pay a minimum monthly amount for each employee participating in the health plan, districts and charter schools are free to pay more than the statutory minimum. Districts and charter schools appear to be increasingly paying more than the required minimum amount.

Calendar Year	Districts/Charters Paying the Minimum Contribution Only	Districts/Charters Paying More Than the Minimum	Total Insured Employees By Districts/Charters	Range
2014	180	75	45,165	\$150-\$417
2015	187	68	43,689	\$153-\$416.66
2016	158	99	43,665	\$154.48-\$418.14
2017	123	134	44,199	\$155.93-\$416.66

Data Source: Employee Benefits Division. Data above do not include insured employees of education service cooperatives, vocational centers, or the Arkansas School for the Deaf/Blind.

The following chart shows the variation in contribution levels provided by school districts and charter schools in 2016-17. The vast majority of districts and charter schools participating in the plan (86%) contributed \$175 per month or less.



Data Source: EBD

The average percentage of school district and charter school employees participating in the health insurance plan has remained fairly stable at 70%-71% over the last few years. Prior to 2015, a large number of districts and charter schools did not report in APSCN the number of insured eligible employees or the number of employees participating in the insurance plan, therefore those years are not included in the table below. However, among those districts that did report their insurance participation, the rate was about 70% in 2013 and 2014.

	Participation Rate Among Insurance Eligible Employees
2015	70.3%
2016	71.5%
2017	70.1%

Data Source: APSCN; The data above do not include participation rates of education service cooperatives or other entities that participate in the Public School Employees Health Plan.

One question to examine is whether districts use their health insurance contributions to balance or boost their teacher salaries. In other words, do districts with higher salaries also have higher contribution levels? Or do districts that pay lower salaries attempt to make up for lower compensation with more generous benefits? The following table finds no significant relationship between the starting salaries in school districts (not including open enrollment charter schools) and the size of the contribution that each district makes towards its staff’s health insurance.

2016-17 District Minimum Salary Quartiles	2016-17 Average Monthly District Contribution
Quartile 1: \$31,000-\$31,611	\$158.04
Quartile 2: \$31,620-\$32,820	\$164.29
Quartile 3: \$32,900-\$36,000	\$170.68
Quartile 4: \$36,067-\$47,016	\$167.03

Data Source: Arkansas Department of Education, Teacher Salary Schedule Analysis, http://www.arkansased.gov/public/userfiles/Fiscal_and_Admin_Services/Publication%20and%20reports/Salary%20Reports/Teacher_Salary_Schedule_Analysis_20162017_revised_3_20_17.pdf and Howlett, C., Employee Benefits Division, Minimum Contributions by District, June 18, 2018 email.

PROGRAMS TO ADDRESS RECRUITMENT AND RETENTION

In response to teacher shortages in certain subjects or geographic regions of the state, Arkansas policymakers have enacted a number of teacher recruitment and retention initiatives over the years. The following chart summarizes state expenditures for the major programs in state statute in FY 2017. While some funding goes directly to individual teachers, other funding is distributed to programs that support them. Additional details are provided about each program in the following sections of this report.

EXPENDITURES ON TEACHER RECRUITMENT AND RETENTION PROGRAMS, FY 2017

	Districts	Charters	Education Co-ops	Higher Ed institutions	Other Orgs	Individuals	TOTAL	# Teachers Benefiting
STATE EXPENDITURES								
High-Priority District Teacher Recruitment and Retention	\$2,099,997	\$0	\$0	\$0	\$0	\$0	\$2,099,997	909
National Board of Professional Teaching Standards	\$119,736	\$0	\$17,943	\$20,647	\$76,900	\$12,050,008	\$12,285,234	2,410 (bonuses only)
Teacher Opportunity Program (TOP)						\$1,499,851	\$1,499,851	1,014
State Teacher Education Program (STEP)						\$1,319,259	\$1,319,259	426
AR Geographical Critical Needs Minority Teacher Scholarship Program						\$86,625	\$86,625	59
Non-Traditional Licensure Grants	\$0	\$0	\$0	\$0	\$0	\$22,000	\$22,000	44

Data Sources: Arkansas Legislative Audit, Department of Education Grants for the Year Ended June 30, 2017 and Arkansas Department of Higher Education, Financial Aid Report, Fiscal Year 2016-17

SALARY AND OTHER FINANCIAL INCENTIVES

High-Priority District Incentive Bonus

Originally enacted in 2003, Arkansas's high-priority district incentive program provides grants to districts to pay for teacher bonuses. These bonuses were specifically mentioned by the Special Masters and the Supreme Court in the Lake View case as one of the measures taken to bring the teacher salary issue into constitutional compliance.⁵ Districts are eligible for the funding if they:

- Have at least 80% of students qualifying for free or reduced price lunch and
- A total of 1,000 or fewer students.

Classroom teachers (including guidance counselors and librarians) working the full school year in the eligible districts receive bonuses. The bonuses are provided in the following amounts:

- A one-time signing bonus of \$5,000 to newly hired teachers for the first full year of teaching in a high priority district
- \$4,000 for teachers in their second and third years of teaching in the same high priority district
- \$3,000 for teachers in who are 1.) teaching a fourth or subsequent year in the same high-priority district; 2.) taught in one high-priority district but begins employment in another high-priority district; or 3.) are teaching in a high-priority district but do not meet the previous requirements.

If the funding provided by the General Assembly is not enough to pay eligible teachers these bonus amounts, ADE calculates the three bonus rates on a pro rata basis.

Bonus/ Scholarship/ Loan Forgiveness	Who's Eligible?	Geographic or Subject Matter Component	Amount
Bonus	Teacher teaching in high priority districts	Geographic: Districts with: <ul style="list-style-type: none"> • At least 80% of students qualifying for free or reduced price lunch and • a total of 1,000 or fewer students 	\$3,000, \$4,000 or \$5,000 annually, or pro rata amount if need exceeds available funding

Funding was first appropriated for high priority district bonuses for the 2004-05 school year at the \$2.1 million level. The funding has been appropriated through 2018-19 at the same \$2.1 million level. Based on the number of districts qualifying for the funding and the number of eligible teachers in those districts, the funding level has not been sufficient, at least in recent years, to pay the bonus amounts envisioned in the statute. Instead, a pro rata amount has been calculated each year. The payment amounts are provided in the table below.

Year of Teaching in High Priority District	Bonus Specified in Statute	Actual Payment Amount					
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
1 st	\$5,000	\$3,931	\$4,504	\$4,673	\$4,291	\$3,948	\$4,380
2 nd and 3 rd	\$4,000	\$2,931	\$3,504	\$3,673	\$3,291	\$2,948	\$3,380
4 th and beyond	\$3,000	\$1,931	\$2,504	\$2,673	\$2,291	\$1,948	\$2,380

⁵ Special Master's Report, April 26, 2007, p. 17-19, http://www.arkleg.state.ar.us/education/K12/LitigationDocuments/6/2007.04.26_Masters%20Report.pdf and Supreme Court Opinion, May 31, 2007, p. 8, http://www.arkleg.state.ar.us/education/K12/LitigationDocuments/6/2007.05.31_Order.pdf

Because not all districts identify high priority bonus payments in APSCN using the specified coding, the BLR asked ADE to provide the following teacher counts. According to ADE's counts, teachers in their first year of receiving the bonus account for about 14%-19% of the bonus recipients.

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total Teachers	889	701	640	772	909	739

Source: Griffin, M., Arkansas Department of Education, July 6, 2018, email

The following 28 districts received this funding in at least one year between 2013 and 2017. For most, the funding is not consistent. Districts become ineligible for the funding if they drop below 80% free or reduced price lunch students or rise above 1,000 average daily membership. Only 11 of the 28 districts received the funding every year. (Three districts were consolidated with other districts during that time period.) Without consistency—if districts can't count on receiving the funding each year—the bonuses' power as a recruitment and retention tool diminishes.

	2013	2014	2015	2016	2017
Augusta	\$86,429	\$107,146	\$114,893	\$104,917	\$89,472
Barton Lexa				\$154,377	\$131,903
Blevins	\$88,876	\$116,172	\$121,586	\$109,814	\$92,909
Bradley	\$85,742	Consolidated			
Caddo Hills	\$97,734	\$124,197			
Clarendon	\$103,186	\$150,531	\$146,177	\$111,230	\$99,935
Decatur	\$107,582	\$130,428	\$133,643	\$136,564	
Dermott	\$84,010	\$120,217	\$131,117	\$95,334	\$58,813
Earle	\$130,248	\$134,197	\$149,973	\$122,543	\$90,987
Hermitage			\$115,220	\$93,910	
Hughes	\$80,707	\$78,226	\$96,283	Consolidated	
Izard County Consolidated				\$103,866	\$85,163
Lafayette County	\$130,831	\$163,826	\$157,140	\$151,120	\$124,776
Lead Hill		\$88,003			
Lee County	\$151,975	\$200,436	\$173,033	\$139,002	\$143,058
Magazine					\$85,661
Marked Tree					\$99,884
Marvell	\$104,012	\$125,172	\$109,230	\$81,347	\$87,292
Mineral Springs	\$116,595	\$117,449	\$118,259	\$101,376	\$90,715
Mountain Pine					\$105,082
Norfolk	\$102,304	\$113,120	\$113,389	\$105,372	\$93,371
Ozark Mountain	\$126,901				\$137,773
Palestine-Wheatley	\$113,650	\$133,992	\$155,497	\$155,752	\$131,493
Shirley	\$93,325			\$92,801	\$78,090
Stephens	\$66,560	\$81,733	Consolidated		
Strong-Huttig	\$95,568	\$115,155	\$101,526	\$83,751	\$78,189
Two Rivers	\$133,762		\$160,359	\$156,919	\$132,109
Western Yell					\$63,322
	\$2,099,997	\$2,100,000	\$2,097,325	\$2,099,995	\$2,099,997

Using the teacher recruitment and retention measures developed by ADE, it appears that the high priority districts in 2016-17 have lower workforce stability indexes. That said, there are districts that are not considered high priority districts but have lower workforce stability indexes than those that did qualify as high priority districts.

Workforce Stability Index		
	2017 High Priority Districts	2017 Non-High Priority Districts
Range	76.0-96.5	70.3-99.4
District Average	86.5	89.6

National Board of Professional Teaching Standards Certification

Enacted by Act 1225 of 1997, ADE provides grants to districts to cover the costs associated with obtaining the National Board for Professional Teaching Standards (NBPTS) certification, including a teacher's participation fee and substitute pay for up to three days of the teacher's absence from the classroom while pursuing certification. The funding also pays national board certified teachers (NBCT), once certified, an annual bonus for up to ten years. The following table provides the total bonuses paid to teachers each year since 2013.

	Total Teacher Bonuses	Total Teachers Receiving Bonuses
2013	\$10,695,000	2,139
2014	\$11,590,000	2,318
2015	\$12,365,000	2,473
2016	\$12,400,000	2,480
2017	\$12,050,000	2,410
2018	\$15,205,000	2,514

Since 2005, the annual bonus for NBCT teachers has been set at \$5,000 for the life of the certification. (Prior to 2017, NBPTS provided certificates for 10 years, but in 2017, the NBPTS switched to a five-year certificate.) However, under financial pressure caused by increasing numbers of teachers successfully achieving certification, ADE sought to limit the bonus payments. Act 937 of 2017 changed the annual bonus amount and limited teachers' bonuses to 10 years, but allowed teachers to receive larger bonuses than the \$5,000 previously awarded if they agreed to work in certain schools. NBCTs who work in high poverty schools within high poverty districts can receive annual bonuses of \$10,000, while those working in high poverty schools that are not in high poverty districts will receive \$5,000. NBCTs who are teaching in schools that are *not* high poverty receive a \$2,500 bonus. For purposes of this bonus, high poverty schools are those where at least 70% of the students are eligible for free or reduced price lunch. In 2016-17, 363 of the more than 1,000 schools statewide were considered high poverty schools for the purposes of this program.

In the first year of the new payment structure, 2017-18, 527 teachers actually received the \$10,000 bonus. Another 1,987 received the NBCT bonus at the \$5,000 level, and no teachers received a bonus at the \$2,500 level.⁶ The statute prohibits a person from receiving a bonus at the \$2,500 level for more than five years, the \$5,000 level for more than five years, the \$10,000 level for more than 10 years or any combination of levels for more than 10 years. Because the 2017 legislation provides a provision to grandfather in existing NBCTs (those who have "begun the certification process or has received certification or recertification of the national board before January 1, 2018") at the \$5,000 level, it is unclear how any teachers have been eligible for the \$10,000 bonuses. This practice is permissible under ADE's emergency rules (Emergency rules Governing Eligibility and Financial Incentives For National Board for Professional Teaching Standards, 5.1.4), but it appears to conflict with state law. Under the statute, the \$10,000 and \$2,500 bonuses are to be granted only to teachers who "on or after January 1, 2018, began the certification process and received National Board for Professional Teaching Standards certification."

⁶ AASIS

LOAN FORGIVENESS OR SCHOLARSHIP PROGRAMS

Teacher Opportunity Program

The Arkansas Department of Higher Education's (ADHE) Teacher Opportunity Program (TOP) was created in 2005 to provide tuition reimbursement grants to teachers and administrators. The program provides scholarships for up to six credit hours completed for each academic year. Individuals are eligible for TOP awards if they are a currently licensed teacher or administrator working in Arkansas schools and enrolled in "college-level courses directly related to their employment" (§6-81-604). The statute indicates that the scholarship will be awarded in an amount up to "the cost of his or her student fees, books, and instructional supplies at the public institution of higher education in this state assessing the highest rate of student fees." However, in practice, it appears that ADHE limits individuals' annual awards to \$3,000.⁷

Type of Award	Who's Eligible?	Geographic or Subject Matter Component	Award Amount
Scholarship (check written to individual as courses completed)	Currently employed teachers going back for additional education—either to obtain teaching credentials or to add licensure in another area	Subject matter priorities: <ul style="list-style-type: none"> • Science, technology, engineering, or math • Computer science • Literacy or reading • Pre-K • Special education 	Up to cost of student fees, books and instructional supplies

The statute does not specify that recipients be employed in a particular geographic area or that their coursework be aimed at licensure in a subject matter shortage area. However, the statute does prioritize funding based on the subject area in which recipients are pursuing licensure. Act 160 of 2017 specified that the priority for the funding are applicants pursuing licensure in the following areas:

- Science, technology engineering, or math
- Computer science
- Literacy or reading
- Prekindergarten education
- Special education

Prior to 2017, the TOP funding statutes prioritized teachers participating in a program known as the Dual Licensure Incentive Program. Teachers qualified for this program if they were pursuing licensure in a subject area that ADE declared to be a subject shortage area.

ADE identifies subject-matter shortage areas each year and publishes the list in a Commissioner's Memo. In addition to TOP and other state incentive programs, the list of designated academic shortage areas are used for federal programs, including the Stafford Loan Program, the TEACH Grant and Perkins Loans. ADE designates subjects as academic shortage areas based on the number of students currently in educator preparation programs, the number of first-time licenses issued to teachers, the number of classes being taught by long-term substitutes and teachers teaching out of their licensure area, and the number of retiring or potentially retiring teachers in each license areas.⁸ The following table provides the subjects considered shortage areas each year from 2015 to 2018. Of the 17 subjects listed below, just

⁷ Arkansas Department of Higher Education, <https://scholarships.adhe.edu/scholarships/detail/teacher-opportunity-program-top>.

⁸ Arkansas Department of Education, Academic Shortage Areas for 2016-17, [http://www.arkansased.gov/public/userfiles/HR and Educator Effectiveness/HR Educator Licensure/CSA PPT from Dec 2015 FINAL with Notes-11266.pdf](http://www.arkansased.gov/public/userfiles/HR%20and%20Educator%20Effectiveness/HR%20Educator%20Licensure/CSA%20PPT%20from%20Dec%202015%20FINAL%20with%20Notes-11266.pdf)

three (library media specialist, mathematics, and special education) have been listed in all four years examined.

	2015	2016	2017	2018
Business Technology	X			
Gifted and Talented	X	X		
Guidance and Counseling	X			
Library Media Specialist	X	X	X	X
Mathematics	X	X	X	X
Middle Childhood Education	X			
Music	X			X
Secondary Sciences	X		X	X
Special Education	X	X	X	X
Foreign Language		X	X	X
Drama/Speech		X		
Family and Consumer Sciences		X	X	X
Art		X	X	X
Agriculture Science & Technology			X	
Computer Science			X	X
Journalism				X
Social Studies				X

In addition to pursuing licensure in a shortage area, Dual Licensure Incentive Program participants also had to be teaching the subject on a licensure waiver at the time of the award. According to ADHE, the Dual Licensure Incentive Program was something the state offered but has not awarded since 2011.⁹ Current staff at ADHE are unsure why the Dual Licensure Incentive Program was ended, but it could be related to a low number of participants and the difficulty of administering the program, particularly when recipients did not fulfill all the requirements.¹⁰

With the Dual Licensure Incentive Program dormant, the TOP program awarded scholarships without any funding priorities. Dr. Maria Markham, director of the Arkansas Department of Higher Education, testified in a 2017 House Education Committee meeting that the TOP scholarship had been used by many teachers to obtain administrator credentials and leave the classroom.¹¹ To address this, Act 160 of 2017 focused the funding on the additional education needed for teachers to stay in the classroom and teach high demand subjects. Act 160 redefined the TOP funding priorities specifying that teachers pursuing licensure in the following topics receive funding before other applicants:

- Science, technology engineering, or math
- Computer science
- Literacy or reading
- Prekindergarten education
- Special education

Because these subjects are specified in statute, the targeted subjects do not change from year to year, and they may not necessarily match the subject area shortages used for federal programs.

The following table provides the total amount spent on TOP awards each year and the number of recipients.

⁹ Coleman, J., Arkansas Department of Higher Education, June 7, 2018, email.

¹⁰ Coleman, J., Arkansas Department of Higher Education, July 6, 2018, email.

¹¹ Markham, M., Arkansas Department of Higher Education, January 26, 2017, House Education Committee meeting.

	Appropriation	# of Recipients	Total Spent	Avg. Award Per Recipient
2011-12	\$2,000,000	655	\$992,891	\$1,516
2012-13	\$2,000,000	638	\$1,022,379	\$1,602
2013-14	\$1,500,000	679	\$1,102,357	\$1,624
2014-15	\$1,500,000	710	\$1,211,922	\$1,707
2015-16	\$1,500,000	867	\$1,492,296	\$1,721
2016-17	\$1,500,000	1,014	\$1,499,851	\$1,479

Data Source: Arkansas Department of Higher Education, Financial Aid Report

The Department of Higher Education could not provide annual lists of subject areas in which award recipients were teaching over those years or the school districts in which they were teaching. However, ADHE did provide information on the licensure subjects pursued by the 2016-17 recipients:

Subject Areas	2016-17 Recipients	Subject Areas	2016-17 Recipients
Mathematics (7-12)	82	Art	9
Special Education	72	Agriculture & Consumer Science (7-12)	4
Literacy or Reading	51	Prekindergarten education	2
Library Media	26	Computer Science	4
Physical Science(Chemistry & Physics)	26	French	1
Family and Consumer Sciences (7-12)	18	Special Education - Visually Impaired	1
Spanish	14	Other	704

State Teacher Education Program

Beginning in 2009, the State Teacher Education Program (STEP) provides yearly federal student loan repayment grants of up to \$3,000 to teachers who are currently teaching in a subject or geographic shortage area in an Arkansas public school (as defined by ADHE, in consultation with ADE). Teachers must reapply each year and are eligible for grants for up to three years. Minority teachers who teach in these areas are eligible for an additional loan repayment for federal student loans in the amount of \$1,000 per year.¹²

Type of Award	Who's Eligible?	Award Amount
Loan forgiveness	Currently employed teachers teaching in subject area or geographic shortage area	Up to \$3,000

The following table provides the total amount spent on STEP awards each year and the number of recipients.

	Appropriation	# of Recipients	Total Spent	Average Award Per Participant
2011-12	\$5,000,000	431	\$1,329,924	\$3,086
2012-13	\$5,000,000	462	\$1,424,464	\$3,083
2013-14	\$4,000,000	351	\$1,104,509	\$3,147
2014-15	\$4,000,000	475	\$1,522,552	\$3,205
2015-16	\$2,000,000	344	\$1,069,754	\$3,110
2016-17	\$2,000,000	426	\$1,319,259	\$3,097

Data Source: Arkansas Department of Higher Education, Financial Aid Report

According to the Department of Higher Education, geographic shortage areas are based on a map provided by the Arkansas Economic Development Commission. The map, developed annually, divides each county into four tiers based on the county's poverty rate, population growth, per capita personal income, and unemployment rate. Districts considered geographic shortage areas are those in Tier 4 counties. The following table provides the Tier 4 counties

¹² Arkansas Department of Higher Education. "Financial Aid for Teachers": <http://scholarships.adhe.edu/financial-aid-for-teachers>

each year beginning in 2012. Like with the high-priority bonus payments, a teacher's district may be considered a geographical shortage area one year, but not the next as the community's economic indicators change. That said, it is unclear how consistently ADHE follows the AEDC maps each year. The list of eligible school districts on ADHE's scholarship website (<https://scholarships.adhe.edu/financial-aid-for-teachers/step>) do not perfectly reflect the AEDC map used for that year.¹³

County	2012	2013	2014	2015	2016	2017	2018
Ashley					X	X	
Bradley	X	X	X	X	X	X	X
Chicot	X	X	X	X	X	X	X
Clay	X	X	X			X	
Columbia						X	X
Crittenden	X	X					
Dallas		X	X	X	X	X	X
Desha	X	X	X	X	X	X	X
Fulton							X
Izard			X		X		X
Jackson				X	X	X	X
Jefferson	X	X	X	X	X	X	X
Lafayette	X	X	X	X	X	X	X
Lawrence	X	X	X				
Lee	X	X	X	X	X	X	X
Lincoln	X	X	X	X	X	X	X
Mississippi	X	X	X	X	X	X	X
Monroe	X	X	X	X	X	X	
Montgomery				X	X	X	X
Nevada	X						
Newton	X		X			X	
Ouachita		X	X	X	X	X	X
Phillips	X	X	X	X	X	X	X
Poinsett	X						
Polk						X	X
Randolph		X		X			
Searcy	X	X		X	X		X
Sharp	X	X	X	X	X	X	
St. Francis	X	X	X	X	X	X	X
Stone			X	X	X		
Woodruff	X	X	X	X	X	X	X

STEP uses ADE's list of subject shortage areas (mentioned previously in this report for the Dual Licensure Incentive Program) to identify licensure and endorsement areas for which recipients can be awarded funding.

The vast majority of STEP awards have been provided to individuals based on the subject matter for which the recipients pursued licensure, with around 70% of the awards in the last four years having been based on the teacher's subject matter area. About 9% to 22% were based on a teacher's geographic location, and another 10%-21% of the awards were provided to teachers who qualified based on both the subject matter area and geographic location. Between 7% and 15% of the total recipients received an additional \$1,000 based on their minority status. The percentage of recipients who received the additional minority award has decreased since 2014.

¹³ Coleman, J., Arkansas Department of Higher Education, July 2, 2018, email.

	Based on subject matter only	Based on geographic area only	Based on subject matter and geographic area	Number of Recipients Receiving Additional Award for Minority Status
2014	156	82	114	53
2015	343	42	103	62
2016	233	78	36	43
2017	294	75	57	37
2018	226	51	48	24

The following table provides the number of award recipients for each year in each subject matter. These figures include individuals who received their award on the basis of their subject matter and those awarded based on their subject matter *and* their geographical location. The subjects with the highest number of recipients were mathematics and special education. Recipients serving as library media specialists and guidance counselors were also frequent awardees.

Subject	# of Recipients					
	2014	2015	2016	2017	2018	Total
Agriculture & Consumer Science (7-12)				5		5
Algebra 1 Middle School		1				1
Art			9	17	8	34
Business Technology (4-12)		17				17
Computer Science				7	10	17
Drama/Speech			11			11
Earth Science (7-12)	1	3				4
English as a Second Language (ESL)	11		3			14
English/Language Arts/Social Studies (4-12)		51				51
English/Language Arts/Social Studies (4-8)		2				2
Family and Consumer Sciences (7-12)			24	37	30	91
Foreign Language - All Areas			11			11
French				1		1
Gifted & Talented	10	12	19			41
Journalism (7-12)					5	5
Library Media	21	28	36	38	23	146
Life Science (7-12)	6	4				10
Life/Earth Science (7-12)	19	9				28
Literacy or Reading				26		26
Mathematics (7-12)	71	69	80	83	61	364
Mathematics/Science (4-8)		47				47
Middle School (4-8)		24				24
Music (K-12)		23			14	37
Physical Science (7-12)	3	11				14
Physical Science(Chemistry & Physics)				23	26	49
Physical/Earth Science (7-12)	9	6				15
Prekindergarten Education				2		2
School Counselor	52	54				106
Science			1			1
Science (Secondary)	15	18				33
Social Studies (7-12)					26	26
Spanish				12	8	20
Special Education	49	67	74	96	60	346
Special Education-Hearing Impaired	1			3		4
Special Education-Visually Impaired	2		1	1	3	7

Arkansas Geographical Critical Needs Minority Teacher Scholarship Program

Begun in 2001, ADHE's Arkansas Geographical Critical Needs Minority Teacher Scholarship Program provides scholarships to attract qualified minority teachers to the Delta and critical teacher shortage areas. The program, which is administered by the University of Arkansas at Pine Bluff, provides scholarships (\$1,500 annually) to minority students enrolled in undergraduate teacher education programs who commit to teaching in an area of the state with a shortage of teachers or in the Delta. Recipients may be full-time or part-time students, and students may receive the award for up to four years. Students receiving four years of the scholarship are obligated to teach two years as a licensed teacher, and those who received less than four years of the scholarship must work one school semester for each year of scholarship. Recipients who do not follow through with their teaching obligation must repay all or part of their award.

Type of Award	Who's Eligible?	Award Amount
Scholarship	Minority students enrolled in teaching preparation program who commit to teach for two years in a geographical area of the state with a shortage of teachers	\$1,500 annually (unchanged since 2001)

The following table provides the total amount spent on Geographical Critical Needs Minority Teacher Scholarship awards each year and the number of recipients.

	Appropriation	# of Recipients	Total Spent	Average Award Per Participant
2011-12	\$200,000	137	\$106,125	\$775
2012-13	\$200,000	50	\$36,375	\$728
2013-14	\$150,000	39	\$42,750	\$1,096
2014-15	\$150,000	35	\$67,500	\$1,929
2015-16	\$150,000	71	\$97,875	\$1,379
2016-17	\$150,000	59	\$86,625	\$1,468

Data Source: Arkansas Department of Higher Education, Financial Aid Report

The University of Arkansas at Pine Bluff did not provide information about recipients of this scholarship. State statute also requires the university to provide an annual report to the General Assembly (§ 6-82-1505), but no such report could be found filed with the Bureau of Legislative Research, the House of Representatives or the Senate. Under the statute, the annual report is to include a "complete enumeration" the following:

- Program activities
- Scholarships granted
- Names of persons to whom granted
- Institutions attended by those receiving the scholarships and
- Teaching location of applicants who have received their education and become licensed teachers within this state as a result of the scholarships

Non-Traditional Licensure Grants

These grants are part of the Arkansas Professional Pathway to Educator Licensure (APPEL) program. The APPEL program allows individuals with at least a bachelor's degree to become certified to teach while employed as a teacher by completing a two-year teaching preparation track. Participants pay a \$1,500 per year fee (for 2018-19) for the program. As part of that program, ADE offers Non-Traditional Licensure Grants to some participants to help cover these fees and other expenses. Teachers are eligible for the grants if they teach a shortage subject area and/or if they teach in a high-poverty school or district. Most recently grants have been provided at the following rates:

- Critical shortage subject area: \$500
- High-poverty school (70%+ FRPL): \$250
- High-poverty district (70%+ FRPL): \$250
- High-poverty charter school (70%+ FRPL): \$250

The following table provides the total amount spent on Non Traditional Licensure Grants each year and the number of recipients.

Year	# of Recipients	Grant Amount	Total
2013	55	\$500	\$27,500
2014	59	\$500	\$29,500
2015	48	\$500	\$24,000
2016	22	\$500	\$11,000
2017	44	\$500	\$22,000
2018	78	Range: \$250 to \$1,000	\$45,500

UNFUNDED FINANCIAL INCENTIVE PROGRAMS

There are a number of other programs in statute that aim to encourage individuals to enter the teaching profession or make it more financially feasible to do so. However, many of these programs have never been funded. The following list describes some of those unfunded programs.

University Assisted Teacher Recruitment and Retention Grant Program

A.C.A. § 6-81-1301 established this grant program within ADHE in 2001 to attract qualified teachers to the Delta and geographical areas with critical teacher shortages. The program was designed to provide scholarships of \$2,000 per year to students working toward a Master of Education degree at a program approved by the Arkansas Higher Education Coordinating Board. This program has not been funded since it was enacted in 2001.¹⁴

Dual Licensure Incentive Program

Under this program, teachers employed by an Arkansas school district and taking coursework to obtain licensure in an additional subject area declared to be a critical shortage area may receive up to \$3,000 in reimbursement for tuition, student fees, books and instructional supplies.; However, according to ADHE, no awards have been made for this program since 2011.¹⁵

Moving Expenses in Particular Regions

This statute allows the Department of Higher Education to pay moving expenses for licensed teachers in the Delta and areas of the state with critical shortages of teachers. The program would allow teachers to receive up to \$1,000 for documented moving expenses.

Science, Technology, Engineering, and Math Fund

This state law established “supplemental grants” of an unspecified amount for teachers teaching science, technology, engineering, and math (STEM)(§ 6-17-2701). The aim of the grant program was to reduce the loss of STEM teachers, attract STEM teachers back to the classroom and encourage students to enter STEM professions. The statute gives the Arkansas Economic Development Commission (AEDC) the authority to promulgate rules for the program, in collaboration with ADE. According to AEDC, this program has never been funded, and rules have not been promulgated.¹⁶

¹⁴ Coleman, J., Arkansas Department of Higher Education, June 7, 2018, email

¹⁵ Coleman, J., Arkansas Department of Higher Education, June 7, 2018, email

¹⁶ Sparks, S., Arkansas Economic Development Commission, June 29, 2018, email.

Teacher Candidate Loan Forgiveness Program

Act 709 of 2017 created this loan forgiveness program to provide loans of up to \$5,000 per year (up to a lifetime total of \$10,000 per individual) for students enrolled in a degree program leading to teacher licensure in a high needs subject area. The program requires recipients to commit to teaching for at least five years in a school or school district located in a geographic area identified by ADE. The critical shortage areas in the legislation were identified as those mentioned in statutory language that was repealed later in the legislative session. Under the program, students' loans would be forgiven at a rate of 20% per year for each year the student works in the critical need district. This program received no funding or appropriation for 2017-18 or 2018-19.

Scholarships for Teachers in High-Needs Subject Areas

Act 934 of 2017 created this scholarship program to provide scholarships of up to \$5,000 per year (up to a lifetime total of \$10,000 per individual) for students enrolled in an undergraduate degree program leading to teacher licensure. The program requires recipients to commit to teaching in a public school for at least five years in a high needs subject area. Under the program, recipients who do not teach at least five years will be required to repay their scholarship on a pro rata basis for each year they are not employed as a teacher in a high needs subject. This program received no funding or appropriation for 2017-18 or 2018-19.

CONCLUSION

This report supplements ADE's analyses of the teacher workforce by providing information on several additional issues affecting schools' ability to attract and retain qualified teachers, including health insurance, financial incentives and scholarship programs for teachers. This report also includes a summary of relevant findings from surveys of school superintendents and teachers and from interviews with principals conducted during site visits to a randomly selected sample of schools.

Survey Responses

In the BLR surveys, most superintendents indicated the top teacher recruitment and retention barrier for their district was difficulty in offering competitive salaries. This appeared to be true even in school districts in the northwest part of the state where teacher salaries tend to be higher than many other parts of the state. Other significant barriers to *recruitment* were scarcity of appropriately licensed teachers, the location of the district or individual school and the cost of health insurance. Frequently cited barriers to *retention* also included the high demand for teachers with certain credentials and the cost of health insurance.

Additionally when teachers were asked if they were considering transferring to another school, the most frequently cited reason for considering a move was higher pay. Teachers considering a move also frequently listed stress/workload and school location as reasons. Another survey question asked teachers if they were currently considering leaving the teaching profession. More than a quarter of the respondents said they were considering quitting the teaching profession. Of these respondents, nearly two-thirds said stress and workload was one of the primary reasons. The second most frequently cited reason was paperwork and bureaucratic issues followed by lack of respect for the profession. Salary was the fourth most cited issue, selected by about 40% of these respondents.

Health Insurance

As noted in the survey responses, superintendents cited health insurance as an increasingly significant barrier in districts' efforts to recruit and retain teachers. That said, increased state funding and structural changes to the state's Public School Employee Health Insurance plan have largely stabilized health insurance premiums employees pay. While premiums remain higher than those charged to state employees, the rates appear to have dropped from their highest level in 2014. The level of funding the state contributes directly for public school employees' health insurance increased by about 142% between 2008 and 2017, and districts expenditures have also increased, although not nearly as dramatically. Although some districts contribute more than the minimum required by law, there does not appear to be any significant relationship between the size of districts' insurance contribution and their starting teacher salary.

Recruitment and Retention Incentives

The state has created a wide variety of financial incentive programs, scholarships and loan forgiveness programs to entice people to go into teaching, to teach in high demand subjects and to teach in areas of the state that have difficulty attracting and retaining teachers. While the programs have provided financial assistance to hundreds of teachers in recent years, the programs' structure, implementation, and data collection make it difficult to evaluate their impact on teacher recruitment and retention. The programs examined in this report use a variety of criteria to identify high needs locations and high demand subject areas. For many of the programs, the targeted teacher shortage areas—the geographical location and subject areas—change from one year to the next, making it difficult for teachers and their employers to consistently rely on the incentives.