

Ensuring TEACH Grant Award Amounts Support a Well-Prepared and Diverse Educator Workforce

Challenge

Research demonstrates that, in terms of influence on student achievement, expert teachers are the most important—and the most inequitably distributed—school resource.¹ The schools with the highest-need students are often staffed by a revolving door of underprepared and inexperienced teachers who are unable to meet students’ needs. In addition, the nation has suffered shortages of teachers in science, mathematics, world languages, and career technical education – fields that are vital for our economic success. Shortages of special education teachers and teachers of English learners similarly undermine success for every student.²

The high and rising cost of a college education presents a barrier to a stable, well-prepared, and diverse educator workforce:³

- More than two-thirds of individuals entering the field of education borrow money to pay for their higher education, resulting in an average debt of about \$20,000 for those with a bachelor’s degree and \$50,000 for those with a master’s degree.⁴
- College students’ potential debt burdens influence their decisions about what profession to enter.
- College students, including students of color, are less likely to pursue education careers or take other low-paying jobs after graduation when they receive less financial aid.⁵

The effect of debt on student career decisions is particularly influential for students of color:

- A higher percentage of students of color take on student loans compared to their White peers.⁶ In 2015-16, African American, Latinx, American Indian or Alaska Native, and Native Hawaiian or other Pacific Islander students received about 30% of their grant aid from the federal government compared to White students who received 11.6%.⁷
- A larger share of African American students than students from any other racial and ethnic group had no expected family contribution (EFC) based on the financial data provided on the FAFSA.⁸
- Debt burden discourages students of color from pursuing high-quality preservice preparation programs, and instead encourage entering through alternative certification programs that often bypass extensive clinical experience and key coursework. Teachers who enter through these programs are less likely to continue teaching in their schools, further exacerbating shortages of teachers of color and negatively impacting student learning.⁹

This reality occurs at a time when a majority of the nation’s k-12 student body are students of color and only 20% of our teacher workforce are people of color.¹⁰

Addressing this Challenge

As in other professions, such as medicine, an effective approach to attracting and keeping teachers in the profession involves offering meaningful subsidies for preparation—loan forgiveness or service scholarships—tied to commitments to serve in high-need fields or locations. If recipients do not complete

their service commitment, they must repay a portion of the scholarship or loan, sometimes with interest and penalties.

The federal government and the states have long offered such incentives to medical professionals to fill needed positions and have periodically done so for teachers as well.¹¹ In both medicine and teaching, research suggests that these programs have been successful when the subsidies are large enough to substantially offset training costs. Loan forgiveness and scholarship programs offer a targeted approach to increasing early career teachers' overall compensation package at the time that it matters most to their career decisions.¹²

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program

One key federal lever for supporting a well-prepared and diverse educator workforce, is to increase the scholarship amounts within TEACH Grant Program as part of the next reauthorization of the Higher Education Act (HEA).

The TEACH Grant Program was created under the bipartisan College Cost Reduction and Access Act (CCRA) of 2007 (P.L. 110-84) signed into law by President George W. Bush. The TEACH Grant Program provides scholarships of \$4,000 per year (for up to 4 years) to undergraduate and graduate students who are preparing for a career in teaching and who commit to teaching a high-need subject¹³ in a high-poverty elementary or secondary school for 4 years. This grant is converted to a Federal Direct Unsubsidized Stafford Loan (with interest accrued from the date each grant was awarded) if a teacher does not fulfill their commitment.

Because the current award amount is not sufficient to cover the average cost of college, the program is being prevented from having the intended impact. The TEACH Grant Program award amount has remained stagnant at a maximum authorization of \$4,000 per year for over a decade despite the rising cost of college. Since 2007, the total inflation-adjusted net cost (tuition, fees, room and board) of attending a public four-year institution of higher education for an in-state student has increased by nearly \$3,000,¹⁴ total student loan debt owed has gone from \$550 billion to nearly \$1.5 trillion,¹⁵ and Congress has eliminated subsidized loans for graduate students,¹⁶ all while the nation faces a shortage of over 100,000 teachers annually. In addition, since fiscal year 2013, the TEACH Grant Program award amount has actually decreased due to automatic spending reductions required under the Budget Control Act of 2011.¹⁷ For example, due to this law, for the next year the maximum award cannot exceed \$3,764.¹⁸

Increasing TEACH Grant Program Award Amounts to Ensure Program Effectiveness

There has been bipartisan support for increasing the TEACH Grant Award amounts in the past. In fact, in July of 2007 the House voted in a bipartisan fashion to send a version of CCRA to the Senate that contained provisions that allowed undergraduate students to get an award of \$4,500 per year and graduate students to get an award of \$5,000 per year, for a respective maximum of \$18,000 and \$10,000 if they received their teacher training through a high-quality teacher preparation pathway that included clinical experience.¹⁹ As previously mentioned, training to teach through a low-quality program contributes to higher teacher turnover that can cost districts up to \$20,000 per teacher and the nation nearly \$8 billion annually.²⁰ Unfortunately, this "Bonus TEACH Grant" provision fell away when conferenced with the Senate's proposal.

HEA reauthorization is an opportunity to support state and local efforts to recruit and retain a well prepared and diverse educator workforce and to address teacher shortages. To do so, the bill to reauthorize HEA should provide sufficient financial incentive to successfully recruit and retain high-quality professionals in fields and communities where they are most needed. To do so, the bill to reauthorize HEA should:

- (1) increase the annual TEACH Grant Program award amount from \$4,000 to \$8,000, raising the total amount over an up-to-4-year period from \$12,000 to \$32,000; and
- (2) exempt the TEACH Grant Program from cuts under the Budget Control Act to maintain the statutorily authorized award amounts and guarantee a stable award.

Increasing the TEACH Grant Program award amount is a relatively inexpensive proposition. The federal government disburses about \$120 billion²¹ in higher education aid every year, yet when the Congressional Budget Office (CBO) scored an elimination of the TEACH Grant program under the PROSPER Act of the 115th Congress, they found the “savings” to be only \$444 million²² over ten years. Further, in 2007 CBO scored a more generous version of the TEACH Grant program under the House passed CCRA and found it to cost less than a billion²³ dollars over ten years. Additionally, the loan conversion provision in current law for individuals who do not complete their service will continue to keep costs down. Further, if the bill to reauthorize HEA also limits grants to undergraduate juniors and seniors, as well as limiting the number of schools one can do their required service in by increasing the poverty threshold of such schools, this would also help to limit the costs.

Finally, to help guard against low quality programs, the TEACH Grant Program should reflect the original intent to only be open to public and non-profit institutions of higher education. CCRA as originally introduced on June 12, 2007, by then Chairman George Miller of the Education and Labor Committee and then Chairman Ruben Hinojosa of the Higher Education Subcommittee, did not allow for-profit colleges to access the TEACH Grant Program.²⁴ For-profit colleges constitute a sector where when examining the cohort of students who started at a for-profit institution in the year 2004, nearly half had defaulted on their loans 12 years later.²⁵ Despite this, for-profit colleges accounted for 11% of total TEACH Grant aid a year and provided recipients with the highest average grant award.²⁶ For example, the for-profit Grand Canyon University (GCU) draws by far the most TEACH Grant recipients and total dollars – over \$9 million in award year 2017-2018 alone²⁷ – yet federal data shows that three years after leaving school nearly two thirds of borrowers at GCU cannot repay their loans.²⁸

Ensuring Equitable Access to High-Quality Teachers

If all pre-k to 12 students are to meet their full potential, they need consistent access to a comprehensive set of opportunities to learn. One of these opportunities includes access to certified and experienced teachers who provide effective instructional support. A forthcoming analysis by the Learning Policy Institute of the most recent U.S. Department of Education’s Office for Civil Rights Data Collection shows that schools with high enrollment of students of color are nearly four times as likely to employ uncertified teachers as are schools with low enrollment of students of color. Schools with high enrollment of students of color are also more than twice as likely to have teachers without mathematics certification teaching Algebra I and Geometry classes, nearly three times as likely to have teachers

without mathematics certification teaching advanced mathematics classes, and more than three times as likely to have teachers without mathematics certification teaching Algebra II and Calculus classes than schools with low student of color enrollment. In addition, in schools with high enrollment of students of color, nearly one in every six teachers is just beginning his or her career compared to one in every ten teachers in schools with low enrollment of students of color.

The inequities in student access is especially concerning since achievement gaps between students of color and White students can be substantially explained by the unequal access to high-quality teachers.²⁹ Research shows when students have access to high-quality teachers – those with strong academic backgrounds and preparation for teaching, and who are fully certified and are experienced – achievement is higher, especially for historically underserved students.³⁰

Increasing the TEACH Grant Program award amount is an equity focused strategy that allows prospective educators, including prospective educators of color, to afford the high-quality teacher preparation pathways that have been shown to fully prepare teachers and reduce teacher turnover. This in turn provides students in the highest need schools, where TEACH Grant recipients fulfill their service commitment, continued access to well-prepared and diverse educators who can afford to stay in their profession.

Endnotes

¹ Sutcher, L., Darling-Hammond, L., & Carver-Thomas, D. (2016). *A coming crisis in teaching? Teacher supply, demand, and shortages in the U.S.* Palo Alto, CA: Learning Policy Institute.

² Sutcher, L., Darling-Hammond, L., & Carver-Thomas, D. (2016). *A coming crisis in teaching? Teacher supply, demand, and shortages in the U.S.* Palo Alto, CA: Learning Policy Institute.

³ Gasman, M., Samayoa, A. C., & Ginsberg, A. (2017). Minority serving institutions: Incubators for teachers of color. *The Teacher Educator*, 52 (2): 84–98.

⁴ U.S. Department of Education, Web Tables: Trends in Graduate Student Financing: Selected Years, 1995–96 to 2011–12 (Washington, DC: National Center for Education Statistics, U.S. Department of Education, 2015), <http://nces.ed.gov/pubs2015/2015026.pdf>.

⁵ Rothstein, J., & Rouse, C. E. (2011). Constrained after college: Student loans and early-career occupational choices. *Journal of Public Economics*, 95(1), 149–163.

⁶ National Center for Education Statistics. (n.d.) Status and Trends in the Education of Racial and Ethnic Minorities. Indicator 25. Financial Aid. Washington, D.C.: National Center for Education Statistics. https://nces.ed.gov/pubs2010/2010015/indicator6_25.asp (accessed 05/31/19).

⁷ Espinosa, L., Turk, J., Taylor, M., & Chessman, H. (2019). *Race and Ethnicity in Higher Education*. Washington, D.C.: American Council on Education.

⁸ Espinosa, L., Turk, J., Taylor, M., & Chessman, H. (2019). *Race and Ethnicity in Higher Education*. Washington, D.C.: American Council on Education.

⁹ Carver-Thomas, D. (2018). *Diversifying the teaching profession: How to recruit and retain teachers of color*. Palo Alto, CA: Learning Policy Institute.

¹⁰ Carver-Thomas, D. (2018). *Diversifying the teaching profession: How to recruit and retain teachers of color*. Palo Alto, CA: Learning Policy Institute.

¹¹ Such incentives have also been available to public interest lawyers, often provided by law schools. NYU Law School’s Innovative Financial Aid Study, which randomly assigned applicants to various financial aid packages and debt structures with equivalent net values, found that law students who received scholarships (as opposed to loan forgiveness) had a 37% higher likelihood of their first job being in public interest law, and also appeared to be of a higher quality. See Erica Field, “Educational Debt Burden and Career Choice: Evidence from a Financial Aid Experiment at NYU Law School,” *American Economic Journal: Applied Economics* 1, no. 1 (2009): 1.

¹² See, e.g., Frank Adamson and Linda Darling-Hammond, “[Speaking of Salaries: What It Will Take to Get Qualified, Effective Teachers in All Communities](#),” *Center for American Progress*, (2011): 7.

¹³ High-need fields under this program include bilingual education and English language acquisition, foreign language, mathematics, reading specialist, science, and special education, as well as any other field that has been identified as high-need by the federal government, a state government, or a local education agency, and that is included in the annual *Teacher Shortage Areas Nationwide Listing (Nationwide List)*.

¹⁴ FA:Trends:CP:Figures 8, 9, 10:Average net price by sector over time. (2019, September 3). Retrieved from <https://research.collegeboard.org/trends/college-pricing/figures-tables/average-net-price-sector-over-time>.

¹⁵ Federal Reserve Bank of New York. (2019). *Quarterly Report on Household Debt and Credit* (pp. 1–45). Center for Microeconomic . Retrieved from

https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/hhdc_2019q2.pdf

¹⁶ Committee on the Budget. Summary of the Budget Control Act of 2011, (2011). Retrieved from https://budget.house.gov/sites/democrats.budget.house.gov/files/08.03.11_Budget_Control_Act_summary.pdf

¹⁷ Congressional Research Service. (2019). *The Budget Control Act: Frequently Asked Questions*. Retrieved from <https://fas.org/sgp/crs/misc/R44874.pdf>

¹⁸ U.S. Department of Education, Federal Student Aid (2019, June 25). TEACH Grants. Retrieved from <https://studentaid.ed.gov/sa/types/grants-scholarships/teach>.

¹⁹ Committee on Education and Labor. College Cost Reduction Act of 2007: Report, together with minority views (to accompany H.R. 2669) (including cost estimate of the Congressional Budget Office), (2007). Washington, D.C.: U.S. G.P.O. Retrieved from <https://www.congress.gov/congressional-report/110th-congress/house-report/210>

²⁰ 10. Barnes, G., Crowe, E., & Schaefer, B. (2007). The cost of teacher turnover in five school districts: A pilot study. Arlington, VA: National Commission on Teaching and America’s Future; Milanowski, A., & Odden, A. (2007). A new approach to the cost of teacher turnover. Seattle, WA: School Finance Redesign Project, Center on Reinventing Public Education; Shockley, R., Guglielmino, P., & Watlington, E. J. (2006). A national crisis in teacher education: What are the costs? Old Tappan, NJ: Pearson Education; Carroll, T. G. (2007). Policy brief: The high cost of teacher turnover. Arlington, VA: National Commission on Teaching and America’s Future; Podolsky, A., Kini, T., Bishop, J., & Darling-Hammond, L. (2016). Solving the teacher shortage: How to attract and retain excellent educators. Palo Alto, CA: Learning Policy Institute, endnote 37. To derive estimates, we averaged individual estimates from these studies by district type and adjusted each estimate for inflation using the Bureau for Labor Statistics Consumer Price Index Inflation Calculator. These averages by district type provide an approximate plausible cost of teacher turnover.

²¹ U.S. Department of Education, Federal Student Aid, FY 2018 Annual Report, Washington, D.C., 20002.

²² Congressional Budget Office Cost Estimate, H.R. 4508 Promoting Real Opportunity, Success, and Prosperity through Education Reform Act, (2018). Retrieved from <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr4508.pdf>

²³ Committee on Education and Labor. College Cost Reduction Act of 2007: Report, together with minority views (to accompany H.R. 2669) (including cost estimate of the Congressional Budget Office), (2007). Washington, D.C.: U.S. G.P.O. Retrieved from <https://www.congress.gov/congressional-report/110th-congress/house-report/210>

²⁴ College Cost Reduction Act 2007, H.R. 2669, 110th Cong. (2007).

²⁵ Scott-Clayton, J. (2018). *Evidence Speaks Reports; The looming student loan default crisis is worse than we thought*. Brookings . Retrieved from <https://www.brookings.edu/wp-content/uploads/2018/01/scott-clayton-report.pdf>

²⁶ U.S. Department of Education. TEACH GRANTS Fiscal Year 2020 Budget Proposal, (2019).

²⁷ United States, Department of Education, Office of Federal Student Aid, Title IV Program Volume Reports, “2017-2018 Award Year Grant Volume by School,” June 30, 2018. Accessed October 10, 2019. Available at: <https://studentaid.ed.gov/about/data-center/student/title-iv>.

²⁸ College Scorecard. Grand Canyon University. (n.d.). Retrieved from <https://collegescorecard.ed.gov/school/?104717-Grand-Canyon-University>.

²⁹ Darling-Hammond, L. (2001). Inequality in teaching and schooling: How opportunity is rationed to students of color in America. In *The right thing to do, the smart thing to do: Enhancing diversity in health professions – Summary of the Symposium on diversity in health professions in honor of Herbet W. Nickens, MD* (pp. 208-233)

³⁰ Clotfelter, C.T., Ladd, H.F. and Vigdor, J.L. (2010), “Teacher credentials and student achievement in high school”, *The Journal of Human Resources*, Vol. 45 No. 3, pp. 655-681, doi: 10.1016/j.econedurev.2007.10.002.