

To: Kun Mullan, PRA Coordinator, Strategic Collections and Clearance, Governance and Strategy Division, Office of Chief Data Officer, Office of Planning, Evaluation, and Policy Development
From: Learning Policy Institute
Date: September, 10, 2023
Re: Agency Information Collection Activities; Comment Request; Teacher Education Assistance for College and Higher Education Grant Program (TEACH Grant Program) Agreement to Serve or Repay– Docket NO. ED–2023– SCC– 0128

The Learning Policy Institute (LPI) conducts and communicates independent, high-quality research to improve education policy and practice. Working with policymakers, researchers, educators, community groups, and others, LPI seeks to advance evidence-based policies that support equitable and empowering learning for each and every child. LPI appreciates the opportunity to provide comments to the U.S. Department of Education’s (the Department) comment request on the Teacher Education Assistance for College and Higher Education Grant Program (TEACH Grant program) Agreement to Serve or Repay form, published in the Federal Register by the Department on July 11, 2023, Docket NO. ED–2023– SCC– 0128.

Research on service scholarship programs show that among other key features these programs should be bureaucratically manageable for teachers, districts, and institutions of higher education in order for them to be effective at recruiting and retaining teachers to serve in high-need schools and fields.ⁱ The TEACH Grant Program is our country’s teacher service scholarship program. The TEACH grant currently provides scholarships of \$4,000 per year to undergraduate and graduate students who are preparing for a career in K–12 teaching and who commit to teaching in a high-need field in a high-poverty school for four years. The grant is converted to a Federal Direct Unsubsidized Stafford Loan if a recipient does not fulfill all of their 4-year service commitment, with interest charges backdated to when the grant was first awarded.

Administrative issues, including grants for those teaching in a high-need field in a high-poverty school being erroneously converting to loans, have undermined the program’s potential.ⁱⁱ The Department and Congress have worked to address administrative issues with the program.ⁱⁱⁱ This comment opportunity, which seeks to update the Agreement to Serve or Repay Form, which TEACH Grant recipients receive and sign prior to the disbursement of their TEACH grant(s), is yet another opportunity for the Department and the servicer it contracts with to strengthen administration of the program.

Included below are three recommendations to improve the Agreement to Serve or Repay Form, which include ensuring that the link for the Teacher Shortage Area Nationwide Listing is easily accessible; clarifying that for grants converted to loans, the approximately three-and-a-half-year pandemic-induced 0% interest rate on most federal loans is a period where interest will not accrue; and updating information on income driven repayment plans.

Easily Accessing the Teacher Shortage Area (TSA) Nationwide Listing

The definition section defines terms such as high-need fields. The high-need fields definition includes mathematics, science, foreign language, bilingual education, English language acquisition, special education, and working as a reading specialist and those listed in the Teacher Shortage Area (TSA) Nationwide Listing. However, the link to TSA Nationwide Listing provided on page 7 (<https://www2.ed.gov/about/offices/list/ope/pol/tsa.html>) does not bring one directly to the TSA Nationwide Listing. Rather this link brings one to the Department’s Office of Postsecondary Education’s webpage on Teacher Shortages, where a link to the TSA Nationwide Listing appears at the very bottom of the webpage, making it hard to find. Instead, this area of the form could replace the current link with the one that goes directly to the TSA: Nationwide Listing <https://tsa.ed.gov/#/home/>.

U.S. Department of Education (ED) response

We agree and have made this change.

Addressing the Pandemic-Induced Student Loan Interest Rate Pause

The Agreement to Serve or Repay form provides information on periods when interest is charged or not charged on Direct Unsubsidized Loans (which, for the TEACH Grant Program are a result of grants that converted to loans because of unfulfilled service). The section, on page 25, that details when interest is not charged to loans does not list the pandemic pause on interest charges (interest set to 0%) for most federal student loans, including Direct Unsubsidized Loans, which began on March 13, 2020, and terminated on August 30, 2023. It should be made clear on the form that if a grant converts to a loan, this nearly three-and-a-half-year period will not result in interest accrual. The Department should also make this clear to the loan servicer as well if it has not already done so.

ED response

Since TEACH Grant recipients must complete a new Agreement to Serve or Repay (Agreement) before receiving a TEACH Grant for each award year, the pause on interest charges would not apply to any TEACH Grants received under this revised Agreement that are eventually converted to Direct Unsubsidized Loans. For any previously received TEACH Grants that are converted to loans and that would be covered by the pause on interest charges, the temporary interest pause will be explained to borrowers in separate communications they will receive related to the conversion of their TEACH Grants. Therefore, we do not believe it is necessary to make any reference to the pause on interest charges in the revised Agreement.

Update Information on Income-Driven Repayment Plans

The Agreement to Serve or Repay form provides information on income-driven repayment (IDR) plans. However, this section, which starts on page 28, does not include information on the new IDR plan, the Saving on a Valuable Education (SAVE) Plan. Likewise, it presents the sunseting Revised Pay As You Earn Repayment Plan as an option.^{iv} This section should be updated to align with the latest IDR plans available for borrowers.

ED response

The previous draft of the revised Agreement was posted for the initial 60-day public comment

period prior to the publication of the July 10, 2023 Final Rule that made various changes to the IDR plans. Therefore, the information on available IDR plans reflected the regulations that were in effect at the time. We have revised the repayment plan section of the Agreement based on the IDR final regulations. However, because many of the changes related to the SAVE Plan and access to other IDR plans do not take effect until July 1, 2024, the revised language is intentionally presented at a very high level without going into detail about specific terms and conditions. This will allow the revised Agreement to be used both before and after July 1, 2024. If a TEACH Grant recipient's grants are later converted to loans, the recipient will receive detailed information about currently available repayment plans at that time. The TEACH Grant Agreement is not intended to be a primary source of information about Direct Loan repayment plan, since available plans and the terms and conditions of the plans may change over time.

The Department should improve the TEACH Grant's Agreement to Serve or Repay Form by:

1. Ensuring that the link for the Teacher Shortage Area Nationwide Listing is easily accessible;
2. Clarifying that for grants converted to loans, the approximately three-and-a-half-year pandemic-induced 0% interest rate on most federal loans is a period where interest will not accrue; and
3. Updating information on income driven repayment plans.

ELPI appreciates the opportunity to provide recommendations for this comment request. Please contact Michael A. DiNapoli Jr. (mdinapoli@learningpolicyinstitute.org) for any additional information.

Endnotes:

ⁱ Podolsky, A. & Kini, T. (2016). *How Effective Are Loan Forgiveness and Service Scholarships for Recruiting Teachers?* (policy brief). Palo Alto, CA: Learning Policy Institute.

ⁱⁱ National Public Radio. Special series: The trouble with TEACH Grants. <https://www.npr.org/series/672219778/the-trouble-with-teach-grants>

ⁱⁱⁱ In 2020, new regulations were codified by the U.S. Department of Education to address administrative issues with the TEACH grant program. The Consider Teachers Act of 2021 codified some of these administrative changes into law. <https://fsapartners.ed.gov/knowledge-center/library/federal-registers/2020-08-14/final-rule-teach-grant-program> <https://www.govinfo.gov/app/details/PLAW-The>; Consider Teacher Act of 2021, P.L. 117-49 (2021). <https://www.govinfo.gov/content/pkg/COMPS-16546/pdf/COMPS-16546.pdf>

^{iv} Federal Student Aid. *Income-Driven Repayment Plans*. <https://studentaid.gov/manage-loans/repayment/plans/income-driven>