

Department of Education
TEACH GRANTS OVERVIEW
Fiscal Year 2009 Budget Request

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TEACH GRANTS OVERVIEW

TEACH Grants

(Higher Education Act of 1965, Title IV, Part A, Subpart 9)

FY 2009 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2008</u>	<u>2009</u>	<u>Change</u>
Loan subsidies ¹	\$7,000	\$14,000	+\$7,000

¹ For budget and financial management purposes, this program will be operated as a loan program under the Federal Credit Reform Act of 1990; budget authority reflects the estimated net present value of future Federal non-administrative costs for awards made in a given fiscal year.

PROGRAM DESCRIPTION

The TEACH Grant program—created by the College Cost Reduction and Access Act of 2007—awards annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans, with interest accrued from the date the grants were awarded.

To be eligible for a TEACH Grant, enrolled students must have a grade-point-average of at least 3.25 on a zero to 4.0 scale and be completing academic coursework and other requirements necessary to begin a career in teaching, or plan to complete such coursework and requirements prior to graduation. (For first-year students, grade-point-average is determined using cumulative secondary school grades.) In addition, teachers, retirees from another occupation with expertise in a field in which there is a shortage of teachers, or current or former teachers using a high-quality alternative certification route are eligible to receive TEACH Grants to obtain a graduate degree. All applicants must sign an agreement to serve in which they acknowledge that grants will be converted to loans if the required service is not completed.

Participating institutions of higher education must provide high quality teacher preparation and professional development services, including extensive clinical experience as part of pre-service preparation; be financially sound; provide pedagogical course work, or assistance in the provision of such coursework, including the monitoring of student performance, and formal instruction related to the theory and practice of teaching; and provide supervision and support services to teachers, or assistance in the provision of such services, including mentoring focused on effective teaching skills and strategies.

TEACH GRANTS OVERVIEW

FY 2009 BUDGET REQUEST

The Administration is in the process of developing regulations to implement the new TEACH Grant program, which will begin making grants on July 1, 2008. Pending implementation, subsequent evaluations, and PART reviews, no new policies are proposed for this program.

For budget and financial management purposes, this program will be operated as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. Based on data from national surveys and existing teacher loan forgiveness programs, the Administration currently estimates approximately 80 percent of participating students will eventually fail to complete the required service and have their grants converted to Direct Unsubsidized Stafford Loans.

Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year. Re-estimates of prior-year costs will be performed each year beginning in FY 2009.

PROGRAM OUTPUT MEASURES (\$000s)

	<u>2007</u>	<u>2008</u>	<u>2009</u>
TEACH Grants			
Recipients	0	31,000	41,000
Aid available to students	0	\$86,000	\$114,000
Maximum grant (in whole \$)	0	\$4,000	\$4,000
Average grant (in whole \$)	0	\$2,774	\$2,780