

Department of Education
TEACHER EDUCATION ASSISTANCE OVERVIEW
Fiscal Year 2014 Budget Proposal

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(in thousands of dollars)

Account, Program and Activity	Category Code	2012 Appropriation	2013 Appropriation	2014 President's Budget	2014 President's Budget Compared to 2012 Appropriation	
					Amount	Percent
Teacher Education Assistance						
1. Presidential teaching fellows (proposed legislation)	M	0	0	190,000	190,000	---
2. TEACH Grants ((HEA IV-A, subpart 9):						
(a) New loan subsidy	M	14,163	1,856	1,418	(12,745)	-89.988%
(b) Upward reestimate of existing loans	M	20,314	1,680	0	(20,314)	-100.000%
(c) Downward reestimate of existing loans (non-add)	M	0	(17,411)	0	0	---
(d) Net reestimate of existing loans (non-add)	M	20,314	(15,731)	0	(20,314)	-100.000%
Subtotal		34,477	3,536	1,418	(33,059)	-95.887%
Total	M	34,477	3,536	191,418	156,941	455.205%

NOTES: D = discretionary program, M = mandatory program; FY = fiscal year

FY 2013 discretionary appropriation amounts are based on P.L. 112-175, the Continuing Appropriations Resolution, 2013, that provided appropriations through March 27, 2013. FY 2013 mandatory amounts are either specifically authorized levels, or are based on FY 2013 President's Budget Policy, updated for more recent estimates of mandatory costs, or FY 2014 President's Budget Policy, as applicable.

Detail may not add to totals due to rounding.

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Teacher Education Assistance

(Higher Education Act of 1965, Title IV, Part A, Subpart 9)¹

(dollars in thousands)

FY 2014 Authorization: 0²

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Change</u>
Presidential teaching fellows ³	0	0	\$190,000	+\$190,000
TEACH grants (loans): ⁴				
TEACH new loan subsidies	\$14,163	\$1,856	1,418	-438
TEACH upward re-estimate	20,314	1,680	0	-1,680
TEACH downward re-estimate (non-add) ⁵	<u>0</u>	<u>-17,411</u>	<u>0</u>	<u>+17,411</u>
Subtotal, TEACH subsidy	34,447	3,536	1,418	-2,118
Total, Teacher Education Assistance	34,447	3,536	191,418	+187,882

¹ Legislation sought in FY 2014 for Presidential Teaching Fellows.

² FY 2014 authorization for Presidential Teaching Fellows is to be determined.

³ In FY 2014, the Administration proposes to replace the TEACH Grant program with the Presidential Teaching Fellows.

⁴ For budget and financial management purposes, this program is operated as a credit 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. Negative numbers indicate estimated future Federal revenues exceed estimated future Federal costs.

⁵ Downward re-estimate is reflected in the General Fund Receipt account, TEACH downward re-estimate of loan subsidies.

Presidential Teaching Fellows

PROGRAM DESCRIPTION

The Presidential Teaching Fellows program would provide formula grants to States that hold teacher preparation programs accountable for results, expand the field of effective providers, and make career milestones, like certification and licensure, rigorous and meaningful. The vast majority of funds would finance scholarships of up to \$10,000 to talented individuals for the cost of their final year at the most effective teacher preparation programs in the State, with a priority for low-income students. Fellows would be trained to teach a high-need subject, such as mathematics or science, and commit to teach at least 3 years within 6 years of graduation in a high-need school.

To receive funding, States would be required to measure the effectiveness of teacher preparation programs based in part on their graduates' success in improving elementary and secondary student achievement as well as other outcomes; hold teacher preparation programs accountable for results, including through withdrawal of approval for programs persistently identified as low-performing; and strengthen the rigor of licensure and certification systems. States would be allowed to set aside up to 20 percent of their allocations for these and related activities, including adoption of teacher performance-based assessments. An additional

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5 percent set-aside would be available to States that commit to work in consortia to recognize highly effective teachers and provide these teachers with a master teacher designation. Master teachers would be granted portable certification and could be eligible for additional compensation or leadership roles.

States would provide subgrants to top-tier preparation programs, which in turn would award scholarships to high-achieving candidates. Presidential Teaching Fellows would be selected based on grade point average, academic major, and demonstrated commitment to teach in high-need schools, with a priority for low-income candidates. Fellows would receive scholarships of up to \$10,000 to pay tuition and fees for their final year of study in either a top-tier traditional undergraduate or master's teacher preparation program, or an alternative route to certification. Funds would be available on the basis of program performance, regardless of whether the program is a traditional preparation program or an alternative route to certification.

The Secretary would be allowed to set aside up to 5 percent of funds for national activities to support States in improving the rigor of licensure and certification, including performance-based certification and portable certification, provide technical assistance to States in developing measurement and accountability systems of teacher preparation, and conduct evaluation activities.

FY 2014 BUDGET PROPOSAL

The Administration proposes to use \$190 million in mandatory funding in fiscal year 2014 to support the Presidential Teaching Fellows program. A minimum of \$130 million would be provided in Presidential Teaching Fellow scholarships to high-achieving students (with a priority for low-income students) attending top-tier teacher preparation programs. Ensuring high-quality teacher preparation is a crucial component of the Administration's efforts to better support teachers and ensure that low-income and minority students have access to effective teachers. Studies have found that many teacher preparation programs fall short in a number of critical aspects. A majority of teachers in two recent surveys reported that their preparation programs did not provide them with the skills, knowledge, and experiences they need to be effective in the classroom (Levine, 2006; MetLife, 2006). A recent study of 29 4-year institutions found that students majoring in education had the lowest measurable gains across their undergraduate education on an assessment measuring critical thinking, complex reasoning, and written communication skills (Arum et al. 2011). Other studies have found that teacher preparation programs do not respond to the needs of schools and districts by recruiting and preparing teachers to teach in the fields, subjects, and communities in which there are shortages of teachers (Ingersoll, 1999; Esch et al., 2005). Finally, preparation programs are generally not effective in recruiting and selecting teaching candidates who are most likely to be effective, with only 23 percent of new teachers ranking in the top 33 percent of college graduates (McKinsey, 2010).

There is, however, a great deal of variation in effectiveness among teacher preparation programs, and several States have established longitudinal data systems to illuminate these differences. Tennessee's recent analysis of outcome data of teachers that graduated from its preparation programs showed significant variation in graduate effectiveness, finding that 8 programs out of 41 were associated with a statistically significant increase in teacher effectiveness in at least one subject, and 14 programs were associated with a statistically significant decrease in at least one subject. The most effective programs produced graduates who were two to three times more likely to be in the top quintile of teachers in the State, while

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the least effective programs produced graduates who were two to three times more likely to be in the bottom quintile (Tennessee State Board of Education, 2010). Alternative routes to certification run by the University of Louisiana at Monroe, Northwestern State University of Louisiana, and The New Teacher Project in New York prepared English language arts teachers whose students achieved at least as much growth in a year as students of experienced teachers, while other programs produced teachers whose students' progress was average or below average compared to other new teachers (Gansle, Burns, Noell, 2010).

Teacher Preparation Program Accountability

Under current law, States receiving funds under the Higher Education Act (HEA) are required to publish an annual State report card on the quality of teacher preparation, both for traditional preparation programs and alternative routes to certification. In the annual report card, each State is required to describe its criteria for assessing the performance of teacher preparation programs, which must include indicators of the academic content knowledge and teaching skills of students enrolled in these programs. States also are required to conduct an assessment of their teacher preparation programs, to identify their low-performing programs and programs at risk of low performance, and to provide technical assistance to these programs.

The Department has been working, through a negotiated rulemaking process, with States, the teacher preparation community, and other interested parties to make these accountability requirements and related data more meaningful by focusing on the most important indicators of program effectiveness, and also to reduce the data collection burden not required by statute. These indicators of effectiveness could include the growth in student achievement in classes taught by program graduates, graduate job placement and retention rates, and graduate and employer satisfaction. State-level funding under the Presidential Teaching Fellows program would be conditioned on the establishment of a meaningful accountability system that designates teacher preparation programs as top-tier or low-performing based on these criteria and would support the implementation of systems to collect and report these data.

Traditional preparation programs or alternative routes to certification designated as top-tier programs would receive funds to award Presidential Teaching Fellowships to high-caliber students, with a priority for talented, low-income candidates. Programs would be authorized to set aside a portion of funds for dissemination activities to support the improvement of other preparation programs. States would be required to establish rigorous standards for identifying low-performing programs; establish a clear process for providing those programs with technical assistance; and establish and enforce a timeline for withdrawing financial support for programs that do not show improvement after a limited number of years.

Teacher Certification and Licensure Policies

In order to receive formula grants under the Presidential Teaching Fellows program, States would also have to commit to removing barriers to the creation of effective alternative routes to certification, and ensure that each stage of certification and licensure requires demonstrated effectiveness in improving student learning.

States would have the option of reserving additional State-level funds to work in consortia with other States to create a master teacher designation based on multiple years of demonstrated classroom effectiveness. Master teachers would receive a portable certification allowing them to teach in participating States, and would also be eligible for additional leadership roles or compensation as determined by the State or districts.

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State Allocations and Activities

The Administration would allocate funds to States based on the number of students having completed teacher preparation programs in the previous year, as reported by each State through the HEA Title II data collection. States would be required to subgrant the majority of their allocations to top-tier teacher preparation programs with demonstrated effectiveness in producing teachers who raise student achievement in high-need schools and subject areas, have excellent placement and retention rates, and receive high customer satisfaction ratings from program graduates and the schools or school districts (as applicable) that employ them.

Top-tier teacher preparation programs would select exceptional teaching candidates to serve as Presidential Teaching Fellows. These Fellows would receive scholarships of up to \$10,000 in their final year of a teacher preparation program. Fellows must be trained to teach in a high-need subject and must teach full-time in a high-need school for at least 3 years within 6 years of graduation. By targeting funds to high-performing programs and high-achieving candidates in their final year of a program, Presidential Teaching Fellows would be more effective in recruiting and retaining high-performing candidates in the teaching profession.

The Presidential Teaching Fellows program would complement efforts already underway in the Administration to recruit and support exceptional teachers. In addition to having the distinction of being recognized as a top-tier program, high-performing teacher preparation programs would be eligible to compete for funds under the proposed Effective Teachers and Leaders State Grants set-aside, described in **Innovation and Instructional Teams**.

PROGRAM OUTPUT MEASURES (dollars in thousands)

Presidential Teaching Fellows:	<u>2014</u>
Number of Presidential Teaching Fellows (whole number)	14,903
Total Aid Available	\$149,030 ¹
Estimated number of State formula grants (whole number)	35-56
Minimum State award	\$600
Average State award	\$10,000

¹ Aid available is equal to the \$190,000 thousand proposed appropriation less \$40,970 thousand for a State set-aside for activities which may include strengthening their teacher preparation and/or licensure and certification systems; establishing performance-based assessments; and, withdrawing approval for low-performing teacher preparation programs.

PROGRAM PERFORMANCE INFORMATION

The Department of Education will establish goals and performance measures for the Presidential Teaching Fellows program. In the short-term, the Department intends to assess the quality of program inputs by tracking grade point averages and other indicators of academic success and selectivity, as well as the number of Fellows with undergraduate majors in mathematics, sciences, or other high-need subject areas. The Department also would track State identification of both low-performing programs and top-tier programs, and the rigor of their standards for each. In the medium-term, program performance would be assessed by tracking whether Presidential Teaching Fellows are retained in their teacher preparation programs, complete their programs, and earn initial licensure or certification. The long-term impact of the

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Presidential Teaching Fellows program would be determined based on: the extent to which fellows fulfill their commitment to teach in a high-need subject and school for at least 3 out of 6 years following graduation; the growth in their students' achievement; and their job performance based on feedback from principals.

The Department will also examine whether the number of applications for admission to teacher preparation programs increases after they receive the top-tier designation. As demand for placements in high-performing programs increases, the Administration would expect that States and institutions of higher education would invest more in these programs and facilitate the broad adoption of practices employed by these programs so that more teachers would be prepared by these and similar programs.

TEACH Grants

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 award, 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 route to certification are eligible to receive TEACH awards to obtain a graduate degree. All applicants must sign an agreement acknowledging 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 coursework, 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.

FY 2014 BUDGET PROPOSAL

The Administration proposes to overhaul the TEACH Grant program after the 2013-2014 academic year. The Budget would, however, allow undergraduate students who received a TEACH Grant in the 2012-2013 academic year to continue to receive annual awards of up to \$16,000 throughout their undergraduate enrollment. In place of TEACH Grants, the

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Administration proposes to establish the **Presidential Teaching Fellows program**, beginning July 1, 2014, with a proposed funding level of \$190 million for fiscal year 2014.

The TEACH program began making awards on July 1, 2008. 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.

Based on data from national surveys and existing teacher loan forgiveness programs, the Administration estimates that a significant portion of students receiving TEACH grants will fail to complete their required service commitment and will have their grants converted to loans; in the interim, they will have missed the opportunity to obtain other institutional grant aid that would not otherwise be converted into a loan. This may be due, in part, to the fact that students are eligible to receive TEACH grants early in their undergraduate education, before they understand the level of commitment required by the teaching profession. For this reason, many have questioned the effectiveness of the TEACH Grant Program as a strategy for attracting promising individuals into the teaching profession. The Presidential Teaching Fellows program is designed to address these programmatic flaws and other concerns related to teacher preparation.

PROGRAM OUTPUT MEASURES

<u>TEACH Grants:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u> ¹
Recipients	37,159	39,017	29,755
Aid available to students (dollars in thousands)	\$110,698	\$116,233	\$87,030
Maximum award (in whole dollars)	\$4,000	\$4,000	\$4,000
Average award (in whole dollars)	\$2,979	\$2,979	\$2,925

¹ The FY 2014 budget anticipates that the TEACH Grants program will make grants available through June 30, 2014.

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2014 and future years, as well as the resources and efforts invested by those served by this program.

Because the programs in the TEACH account rely on the same performance data as the Federal student aid programs, the performance measures, strategies, and program improvement activities that apply to all of the programs are discussed in the **Student Aid Overview** and are not repeated here.