



U.S. Department of Education
Office of Inspector General

The Department's Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations

January 20, 2022
ED-OIG/I20DC0024

ED OIG Oversight of Coronavirus Response Funds



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Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. The appropriate Department of Education officials will determine what corrective actions should be taken.

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

January 20, 2022

TO: Richard Cordray
Chief Operating Officer
Federal Student Aid

FROM: Bryon S. Gordon /s/
Assistant Inspector General for Audit

SUBJECT: Final Report, "The Department's Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations," Control Number ED-OIG/I20DC0024

Attached is the subject final report that consolidates the results of our review of the Department's Implementation of CARES Act Flexibilities to TEACH Grant service obligations. We have provided an electronic copy to your audit liaison officer. We received your comments in response to our draft report.

U.S. Department of Education policy requires that you develop a final corrective action plan within 30 days of the issuance of this report. The corrective action plan should set forth the specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this final report. Corrective actions that your office proposes and implements will be monitored and tracked through the Department's Audit Accountability and Resolution Tracking System.

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on the reviews that remain unresolved after 6 months from the date of issuance.

We appreciate your cooperation during this review. If you have any questions, please contact Michele Weaver-Dugan at (202) 245-6941.

Attachment

Table of Contents

Results in Brief	1
Introduction	4
Finding. Improvements Are Needed in FSA’s Implementation of TEACH Grant CARES Act Flexibilities	6
Other Matter. Issues Identified with Data Provided by FSA and TEACH Grant Servicer ..	22
Appendix A. Scope and Methodology.....	24
Appendix B. TEACH Grant Certification Form.....	27
Appendix C. Acronyms and Abbreviations.....	30
FSA Comments.....	31

Results in Brief

What We Did

The objective of our review was to evaluate the Department of Education’s (Department) plans and processes to ensure Teacher Education Assistance for College and Higher Education (TEACH) grantees receive full-time credit toward their service obligations for part-time and temporarily interrupted service due to Coronavirus Disease 2019 (COVID-19). We reviewed documentation provided by Federal Student Aid (FSA) and its servicer to obtain an understanding of plans, processes, and procedures related to Coronavirus Aid, Relief, and Economic Security Act (CARES Act) flexibilities for TEACH Grant recipients and held discussions with FSA officials involved with the oversight of the TEACH Grant program. We also reviewed data related to TEACH Grant recipients who submitted certification forms between March 1, 2020, and April 14, 2021, weekly reports provided by the TEACH Grant servicer, and a judgmental sample of recipient certification forms.

What We Found

We found weaknesses in FSA’s development and implementation of plans and processes to ensure TEACH grantees receive full-time credit towards their service obligations for part-time or temporarily interrupted service due to COVID-19. FSA established a process that relied solely on whether a recipient’s employment end date¹ fell within a specified period to determine applicability of CARES Act flexibilities, with no additional documentation required, and that applied only to academic year 2019–2020. We also found weaknesses in FSA’s communications with recipients and with the identification and reprocessing² of recipients eligible for CARES Act flexibilities. This included instances where recipients that met the established criteria for reprocessing were not always identified, recipients that were identified did not always meet the established criteria for reprocessing, and it was not always clear if those identified for reprocessing ultimately received credit towards their service obligation for the 2019–2020 academic year.

¹ This refers to the date a recipient stops teaching for a particular academic year.

² “Reprocessing” refers to the servicer’s identification and reevaluation of certifications that were initially denied because they were submitted and processed prior to the implementation of the contract modification that provided for the granting of CARES Act flexibilities but would have otherwise been approved based on the eligibility guidelines for those flexibilities.

Additionally, we found that FSA did not effectively develop or oversee the implementation of the TEACH Grant servicer contract modification. We noted that the contract modification provided minimal direction and guidance to the servicer in implementing CARES Act flexibilities, updated guidance was not timely approved or finalized by FSA, and sampling performed by FSA, as referenced in the modification to ensure that certifications were being appropriately processed by the servicer, was limited.

What We Recommend

We recommend that the Chief Operating Officer for FSA ensure potentially impacted recipients are notified that they may be eligible for a full year of qualifying teaching service if, during the 2019–2020 or 2020–2021 school years, their service was interrupted by the pandemic, including sending communications to potentially impacted recipients and posting more detailed information on customer-facing web pages; ensure TEACH Grant servicer guides are updated to include applicable processes for recipients that are eligible for CARES Act flexibilities and ensure that FSA’s sampling of the population of recipients potentially impacted by COVID-19 includes recipients that may have been denied credit because their end date did not fall within the specified time period, as well as those that had the specified end date but had a start date that did not fall within FSA’s presumptions about when most school years begin.

FSA Comments and OIG Response

We provided a draft of this report to FSA for comment. We summarize FSA’s comments at the end of the finding and provide the full text of the comments at the end of the report (see [FSA Comments](#)).

FSA agreed with the finding and stated that although it was highly effective in ensuring eligible TEACH Grant recipients impacted by the pandemic received CARES Act flexibilities, FSA acknowledged that this was an unprecedented challenge for the TEACH Grant program and that lessons learned have been identified and used for better borrower experiences.

FSA agreed with Recommendations 1.1 and 1.2. FSA stated that it has already sent additional communications to TEACH Grant recipients that have separated from school advising them of available CARES Act flexibilities. It also stated that it is committed to completing updates to applicable written guidance in early 2022. FSA disagreed with Recommendation 1.3. Specifically, FSA stated that it has implemented robust sampling of the population of TEACH Grant recipients potentially impacted by COVID-19 and that the sampling was more than adequate. FSA stated that it will continue to review and, as appropriate, sample the TEACH Grant servicer’s weekly reports to ensure TEACH Grant recipients continue to receive CARES Act benefits for the 2020–2021 academic year.

We disagree with FSA's statement that its sampling was robust and more than adequate, as its sampling was limited to only one report since the contract modification was implemented and did not include recipients with employment end dates outside of the specified time period or recipients who were not initially denied credit. Therefore, we did not make any changes to the finding or recommendations.

FSA's proposed corrective actions are not fully responsive to our recommendations. Specifically, the corrective action for Recommendation 1.1 does not address the part of the recommendation pertaining to updating customer-facing web pages. While FSA did not specifically propose a corrective action related to Recommendation 1.3, the planned action noted by FSA does not indicate that it will address all potentially impacted academic years or recipients, to include those with employment end dates outside of the specified time period or those who were not initially denied credit. FSA's proposed corrective action for Recommendation 1.2, if implemented as described, is responsive to our recommendation.

Introduction

The Teacher Education Assistance for College and Higher Education (TEACH) Grant program provides grants of up to \$4,000 a year to students who agree to serve as full-time teachers in a high-need field in a public or private elementary school, secondary school, or educational service agency that serves students from low-income families. They must teach full-time for at least 4 academic years³ within 8 years of completing a program of study, otherwise known as the service obligation period, regardless of how many TEACH Grants were received. If the recipient fails to meet the service obligation requirements, the Department of Education (Department) converts the total amount of TEACH Grant funds received to a Federal Direct Unsubsidized Loan. Federal Student Aid (FSA) administers the TEACH Grant program and, through a designated student loan servicer (FedLoan Servicing),⁴ monitors the progress of grant recipients in fulfilling their service obligations.

In fiscal year 2020, the Department disbursed more than 25,000 grants totaling \$78.1 million under the TEACH Grant program. According to FSA, there were 93,925 recipients in their service obligation period during fiscal year 2020.

To receive credit towards their service obligation, recipients must submit a TEACH grant certification form to the TEACH Grant servicer after completing each of their 4 years of required teaching. The form must be certified by the Chief Administrative Officer of the school or educational service agency where the recipient taught and must confirm the following for each academic year:

- The recipient taught as a full-time highly qualified teacher;
- The recipient taught in a low-income elementary school, secondary school, or educational service agency; and

³ Under the TEACH Grant program, an academic year or its equivalent is defined as 1 complete elementary or secondary school year, or 2 complete and consecutive half-years from different school years (excluding summer sessions) that generally fall within a 12-month period. If a school or educational service agency has a year-round program of instruction, a minimum of 9 months is considered to be the equivalent of an academic year.

⁴ FedLoan Servicing is a branch of the Pennsylvania Higher Education Assistance Agency (PHEAA). PHEAA conducts its student loan servicing operations for federally owned loans as FedLoan Servicing.

- More than half of the classes that the recipient taught during the academic year were in a high-need field.

See [Appendix B](#) for an example of a blank certification form, to include related definitions.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)⁵ was enacted in response to the President’s declaration of a national emergency due to Coronavirus Disease 2019 (COVID-19). Under Section 3519(a) of the CARES Act, during a qualifying emergency, the Secretary may modify the categories of extenuating circumstances under which a recipient who is unable to fulfill all or a part of their service obligation may be excused from fulfilling that portion of the TEACH Grant service obligation; and shall consider teaching service that, as a result of a qualifying emergency, is part-time or temporarily interrupted, to be full-time service and to fulfill the TEACH Grant service obligations. FSA’s implementation of the flexibilities provided under Section 3519(a) of the CARES Act included the issuance of a modification to its contract with the TEACH Grant servicer, incorporating Change Request 5592 (TEACH Grant CARES Act Servicing Requirements), effective September 9, 2020.

⁵ Public Law No. 116-136.

Finding. Improvements Are Needed in FSA's Implementation of TEACH Grant CARES Act Flexibilities

Our evaluation of the Department's plans and processes to ensure TEACH grantees receive full-time credit toward their service obligations for part-time and temporarily interrupted service due to COVID-19 found opportunities for improvement. We identified weaknesses in FSA's plans for implementing TEACH Grant CARES Act flexibilities. This may have resulted in inappropriate denials of CARES Act flexibilities to some eligible recipients, placed the responsibility on denied recipients to initiate decision appeals, and may have provided CARES Act flexibilities to recipients who may not have been entitled to those benefits. We also found weaknesses in the implementation of the processes associated with a related contract modification that may have negatively impacted recipients because of inadequate communication and insufficient processes to identify and reevaluate denials that were made prior to implementation of the modification. Finally, we identified weaknesses in FSA's development and oversight of the contact modification that impacted FSA's assurance that the servicer implemented appropriate procedures and properly approves or rejects certifications of recipients impacted by COVID-19.

Weaknesses in FSA's Plans for Implementing TEACH Grant CARES Act Flexibilities

We found that FSA's plans for implementing TEACH Grant CARES Act flexibilities relied on accepting a recipient's employment as full time, and therefore eligible for CARES Act flexibilities, if their employment end date fell on or between March 1, 2020, and April 30, 2020, without any additional information being required, which may have resulted in inappropriate denials of CARES Act flexibilities to some eligible recipients. These plans applied only to academic year 2019–2020, even though there was nothing to indicate that the pandemic would end after that year and that CARES Act flexibilities would no longer apply. In addition, FSA's plans did not consider whether recipients were on track to complete a full year of service before their service was interrupted due to COVID-19, which may have provided benefits to recipients who were not entitled to them. See recommendation 1.1 on page 19 pertaining to improvements in communication of CARES Act flexibilities to potentially impacted recipients.

Reliance on Employment End Dates

FSA established recipient eligibility for CARES Act flexibilities using employment end dates falling within a specific period. We found that reliance on employment end dates to determine eligibility created the possibility of eligible recipients not receiving CARES Act flexibilities that they were entitled to. This in turn placed additional responsibility on

recipients if they believed they were inappropriately denied CARES Act flexibilities. We identified a limited number of recipients that were incorrectly denied credit toward their service obligation under these processing procedures and noted others could also be negatively impacted.

As noted in its contract modification with the TEACH Grant servicer, FSA established eligibility for CARES Act flexibilities based on recipients with less than full time or less than a full year of teaching service having an end date of employment on or between March 1, 2020, and April 30, 2020. The Supervisory Management and Program Analyst for the Extended Workforce Management and Training group, who is FSA's TEACH Grant subject matter expert, stated that once Change Request 5592 was implemented,⁶ recipients meeting the noted end dates would automatically receive credit for a full year of teaching service for the 2019–2020 academic year if their certification form was otherwise complete. (See [Appendix B](#) for an example of a blank certification form, to include related definitions.)

The servicer's TEACH Grant Recipient Certification Processing Guide (Processing Guide),⁷ states that if a certification form indicates that a recipient did not teach full time or did not complete a full academic year, as indicated by the Chief Administrative Officer checking the box on the form indicating less than a full academic year, then the form would be accepted and applicable credit given if the employment end date fell on or between March 1, 2020, and April 30, 2020. If the end date on the form did not fall within those parameters, the form was to be rejected and no credit would be given. The servicer's Inbound and Outbound Calls Guide,⁸ a guide for customer service representatives on responding to phone calls for the TEACH Grant program, was similarly updated to advise recipients calling with questions regarding certifications for academic year 2019-2020 that credit would be applied to their account if their end date of employment fell on or between March 1, 2020, and April 30, 2020.

⁶ We noted some discrepancies regarding the implementation date of Change Request 5592. See discussion under "Weaknesses in Contract Modification Development and Oversight."

⁷ While the Processing Guide is not dated, it includes a table documenting the various versions of the document and includes information such as what changes were made and when. Updates related to Change Request 5592 and the CARES Act were made on January 12, 2021, and published on January 19, 2021.

⁸ While the Inbound and Outbound Calls Guide is not dated, it includes a table documenting the various versions of the document and includes information such as what changes were made and when. Updates related to the CARES Act were made on January 12, 2021, and published on January 19, 2021.

As a result, a recipient with an end date falling after April 30, 2020, that was working only part-time or did not complete a full academic year would have been rejected even though CARES Act flexibilities may have applied. This may have resulted in inappropriate denials of CARES Act flexibilities to some eligible recipients and placed the responsibility on denied recipients to initiate decision appeals. Additionally, there is a risk that the Department could incorrectly determine that recipients entitled to the credit have run out of time to complete their 4 years of service within the 8-year service obligation period and convert their TEACH Grants to loans.

When asked why FSA specified end dates falling on or between March 1, 2020, and April 30, 2020, for eligibility for CARES Act flexibilities, the TEACH Grant subject matter expert stated that March 2020 was approximately when COVID-19 hit. The TEACH Grant subject matter expert explained that the expectation was that traditional employment start dates in August or September 2019 would be unchanged or not impacted, but employment end dates in March or April 2020 would be a flag that a teacher's year of service ended prematurely due likely to a disruption caused by the pandemic. The TEACH Grant subject matter expert stated that employment end dates in May or June would generally be an indication that the teacher completed a full year of service without any disruption due to the pandemic. The TEACH Grant subject matter expert stated that while this may seem like a liberal granting of the benefit, it seemed like the way to target the most eligible recipients.

We asked FSA for a list of TEACH Grant recipients who submitted certification forms between March 1, 2020, and April 14, 2021, that were denied credit toward their service obligation for academic year 2019–2020 solely for less than full-time service or less than a full academic year of teaching. Of the 151 recipients on the list that were denied credit for this reason, we identified 57 (38 percent) that had employment end dates in May or June, despite FSA's presumption that employment end dates in May or June would generally be indicative of a teacher completing a full year of service.

We reviewed the certification forms for 4 of these 57 individuals and noted that the employment start dates would also be indicative of what FSA considers normal start dates. However, because the Chief Administrative Officer checked the box indicating that the time taught was less than a full academic year and the employment end dates did not fall within FSA's established parameters, the certification forms were denied, even though they may have been otherwise eligible. Additionally, we noted that the TEACH Grant servicer identified approximately 35,000 recipients that did not yet have teaching service credit for the 2019–2020 academic year but who may have been

impacted by COVID-19 disruptions.⁹ This could result in additional denials of CARES Act flexibilities to some eligible recipients if their employment end dates are not within the specified period.

Additional Information from Recipients was Generally Not Required

FSA did not revise its certification process to collect additional information that could have helped ensure eligible recipients received CARES Act flexibilities. We found that FSA did not revise the certification form to capture information specific to COVID-19 interruptions, such as part-time employment or temporarily interrupted teaching service. Recipients did not need to provide additional documentation (for example, documentation from their Chief Administrative Officer or a self-certifying letter indicating the circumstances of their teaching service disruption) to receive the CARES Act benefit as long as their employment end date was on or between March 1, 2020, and April 30, 2020.

While the form includes a box for the Chief Administrative Officer to check if the recipient taught for less than a full academic year, it does not provide for an explanation related to why the recipient did not teach for the full academic year. It also has no place for a recipient to record teaching for less than full time since the TEACH Grant program normally requires recipients to teach full time. This would seemingly make it difficult to discern if someone was in fact eligible for the CARES Act flexibility based on interruptions specific to COVID-19, to include related part time employment.

When asked why the certification form was not updated to capture CARES Act flexibility related information, the TEACH Grant subject matter expert stated that updating the certification form would have been a significant undertaking, and likely would have significantly delayed implementation if such an effort was approved. An updated certification form would have to go through multiple levels of internal review and then be submitted for review and approval by the Office of Management and Budget. As a result, FSA decided not to update the certification form and to use only the defined employment end date period and the assumption that end dates within that period were likely attributable to COVID-19 interruptions.

⁹ This includes anyone who does not yet have teaching service for the 2019–2020 academic year and is in their service obligation period, including recipients that previously submitted a certification form that was denied, have not yet submitted a certification form, or whose form was submitted but not yet processed.

We noted that the TEACH Grant CARES Act Servicing Frequently Asked Questions (Servicer FAQs),¹⁰ a document developed by the servicer for its staff consisting of questions they may encounter from recipients calling about TEACH Grant CARES Act relief, states that if a recipient's school closed on or between March 1, 2020, and April 30, 2020, they do not need to provide documentation that their service was interrupted due to COVID-19. The Servicer FAQs also state that if a recipient's school closed outside of the March 1, 2020, to April 30, 2020, period and they wish to be eligible for CARES Act relief, they must submit a certification form to be evaluated, and should also include documentation from their Chief Administrative Officer or a self-certifying letter indicating the circumstances of their teaching service disruption.

The TEACH Grant subject matter expert stated that if a recipient believes that their year of service was denied inappropriately, as may be the case if their employment end date fell outside of the March 1, 2020, to April 30, 2020, window, there are mechanisms in place for the recipient to appeal the decision and still receive credit. However, the TEACH Grant subject matter expert noted it is incumbent on the recipient to reach out to the servicer indicating they were adversely impacted by the pandemic.

Plans Did Not Consider Recipient's Employment Start Dates

FSA did not consider employment start dates in establishing recipient eligibility for CARES Act flexibilities. We found employment start dates were not part of the related contract modification or updated guidance. As a result, recipients could receive service credit for academic year 2019–2020 even if they were not on track to complete a full academic year of service before the pandemic. We identified instances where recipients may have received CARES Act flexibilities that they were not entitled to and noted others could be treated similarly under the established procedures. The TEACH Grant subject matter expert confirmed that there was no employment start date requirement to be eligible for CARES Act flexibilities and noted that in general, if the Chief Administrative Officer certifies that the recipient taught full-time, FSA does not question it, regardless of how long the recipient worked.

We reviewed the list of TEACH Grant recipients who submitted a certification between March 1, 2020, and April 14, 2021, for the 2019–2020 academic year, reported an employment end date on or between March 1, 2020, and April 30, 2020, and received credit towards their service obligation for the 2019–2020 academic year. We identified 491 individuals with employment end dates on or between March 1, 2020, and April 30, 2020, that received credit towards their service obligation, indicating that their service

¹⁰ According to the TEACH Grant subject matter expert, the Servicer FAQs were approved by FSA on January 12, 2021.

was likely approved under CARES Act flexibilities.¹¹ To determine if these recipients were likely not on track to complete a full academic year of service before the pandemic, we reviewed this list for recipients with a noted employment start date on or after October 1, 2019.¹² We found 107 individuals with employment start dates falling on or after October 1, 2019, indicating that these recipients were not likely to be on track to complete a full academic year before the pandemic. This included one individual with employment dates from March 2, 2020, to April 15, 2020, and another with employment dates from April 2, 2020, to April 27, 2020, both of which received credit towards their service obligation for the 2019–2020 academic year. As noted previously, the TEACH Grant servicer identified approximately 35,000 recipients that did not yet have teaching service credit for the 2019–2020 academic year but who may have been impacted by COVID-19 disruptions. This could result in additional approvals of CARES Act flexibilities for some recipients who were not already on track to complete a full academic year prior to the pandemic.

Plans Did Not Account For Additional Academic Years

FSA's plans only applied to academic year 2019–2020 and did not account for additional academic years despite the pandemic continuing past the 2019–2020 academic year. By establishing a process that does not account for additional years beyond 2019–2020, some eligible recipients may be inappropriately denied. This places an undue burden on recipients to initiate decision appeals if they wish to receive credit under the CARES Act.

When asked about CARES Act flexibilities for the 2020–2021 academic year, the TEACH Grant subject matter expert stated that they have not instituted a similar process for the 2020–2021 academic year. FSA interpreted the flexibilities in the CARES Act at the time it was passed to apply only to the 2019–2020 academic year. However, under the CARES

¹¹ FSA does not keep track of recipients that received credit specifically related to CARES Act flexibilities. Based on the TEACH Grant subject matter expert indicating credit would be given to a recipient if their end date of employment fell on or between March 1, 2020, and April 30, 2020, we assumed that a recipient with an employment end date on or between March 1, 2020, and April 30, 2020, that received credit towards their service obligation did so under the CARES Act.

¹² FSA's TEACH Grant subject matter expert indicated start dates traditionally fall in August or September.

Act, these flexibilities are to be available “during a qualifying emergency”¹³ which continued beyond the 2019–2020 academic year. The TEACH Grant subject matter expert did note that if recipients are denied credit for academic year 2020–2021 solely for not completing a full academic year of teaching, recipients can appeal the decision, similar to the process for the 2019–2020 denials. Additionally, the TEACH Grant subject matter expert stated that new regulations implemented on July 1, 2021, will allow recipients to receive full-time credit for interrupted teaching service due to a pandemic or for pandemic-related issues.¹⁴

In written comments provided subsequent to the conclusion of our fieldwork, FSA officials stated they had no indication that any of the issues highlighted in the Office of Inspector General’s (OIG) findings were actually harming recipients, stating that no grants had been converted to loans and that monitoring of various feedback channels, such as customer complaints, incoming call trends, and correspondence from recipients, social media, or key stakeholders, had not revealed any indicators of problems. While our review did not specifically focus on these areas, we would note that it is likely too early in the process to gauge the actual effect of the weaknesses noted as grants are converted to loans when the recipient has run out of time to complete their service obligation, which would not necessarily happen immediately since it is dependent on where recipients are in their service obligation period. Additionally, our review noted that approximately 20,000 recipients had submitted certification forms for processing for the 2019–2020 academic year between March 1, 2020, and April 14, 2021, but that

¹³ Section 3502 of the CARES Act defines “qualifying emergency” as “a public health emergency related to the coronavirus declared by the Secretary of Health and Human Services pursuant to section 319 of the Public Health Service Act (42 United States Code 247d); an event related to the coronavirus for which the President declared a major disaster or an emergency under section 401 or 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 United States Code 5170 and 5191); or a national emergency related to the coronavirus declared by the President under section 201 of the National Emergencies Act (50 United States Code 1601 et seq.).”

¹⁴ According to 34 Code of Federal Regulations Section 686.40(b), “[f]or purposes of completing the service obligation, the elementary or secondary academic year may be counted as one of the grant recipient’s four complete elementary or secondary academic years if the grant recipient completes at least one-half of the elementary or secondary academic year and the grant recipient’s school employer considers the grant recipient to have fulfilled his or her contract requirements for the elementary or secondary academic year for the purposes of salary increases, tenure, and retirement if the grant recipient is unable to complete an elementary or secondary academic year due to ... (3) Residing in or being employed in a federally declared major disaster area as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 United States Code 5122(2)).”

the TEACH Grant servicer had identified an additional 35,000 recipients that did not yet have teaching service credit for 2019–2020, that may be eligible for CARES Act flexibilities, indicating that a large number of recipients may still be awaiting processing. We would also note that there would be no harm to a recipient that received credit erroneously and therefore no related complaints.

Weaknesses in FSA’s Implementation of CARES Act-Related Processes

We found weaknesses in the implementation of the processes outlined in the contract modification related to TEACH Grant CARES Act flexibilities. The contract modification included several CARES Act-related actions that the TEACH Grant servicer was to perform:

- Publish language on customer-facing web pages advising recipients that they may be eligible to be credited for a full year of qualifying service if their ability to complete the service is impacted by the pandemic.
- Provide a report identifying the population of TEACH Grant recipients whose certification of eligible teaching service may be impacted by COVID-19 disruptions. The identified population of recipients will receive communications regarding benefits or relief they may be entitled to.
- Track aid recipients and reviews of their certification forms by categories of CARES Act-related approvals and denials and report weekly.
- Reprocess (identify and evaluate) TEACH Grant certification forms for recipients who were previously denied, but otherwise may be approved based on the guidelines for eligible relief or benefits.

We found that minimal information was disseminated to recipients regarding CARES Act flexibilities either through customer-facing web pages or email. Without adequate communication and information, recipients may not be aware of CARES Act flexibilities available to them and the processes to follow to request the flexibilities. In addition, we found that recipients identified by the servicer did not always meet the established criteria for reprocessing based on CARES Act flexibilities, the servicer did not always identify recipients that did meet the established criteria for reprocessing based on CARES Act flexibilities, and it was not always clear if those identified by the servicer ultimately received credit towards their service obligation for the 2019–2020 academic year. This may have resulted in some recipients receiving CARES Act flexibilities they were not entitled to while others that should have received CARES Act flexibilities may not have. See recommendations 1.1 and 1.2 on pages 19 and 20 pertaining to

improvements in communication of CARES Act flexibilities to potentially impacted recipients and related updates to documented servicer processes.

Inadequate Communication of CARES Act Flexibilities

We found that minimal information was disseminated to recipients regarding CARES Act flexibilities on customer-facing web pages. While we did find that a banner was placed on the TEACH Grant servicer website alerting recipients that if their service was interrupted by the COVID-19 emergency their employment will still count as a full year of qualifying teaching service, no further information was provided anywhere else on the website to explain what that meant. In addition, even though we were provided with the Servicer FAQs, we found that the servicer did not update frequently asked questions posted on its customer-facing website to include additional information or details such as how to obtain the full-time credit under the CARES Act or what recipients should do if they felt they were inappropriately denied credit under the CARES Act. This is even more concerning considering that we found that while FSA posted guidance on its website on May 15, 2020, to state that a TEACH Grant recipient who was performing qualifying service that was interrupted due to COVID-19 will receive credit for a full year of his or her service obligation, it also did not provide details on what a recipient needed to do to receive credit, if anything, nor did it refer recipients to the TEACH Grant servicer website for additional information.

We noted that the communication that FSA indicated was sent to recipients identified without credit in the 2019–2020 academic year, but who may have been impacted by COVID-19 disruptions, contained essentially the same general language included on the TEACH Grant servicer website banner and provided a phone number to call if credit had not yet been received. No details were provided, such as those provided in the Servicer FAQs, that would have been more informative. FSA stated that the actual emails sent to individual recipients were not maintained, so we were only able to view a template of the email and a partial listing of the students who FSA told us received the communication.¹⁵ We were unable to confirm if or when the emails were actually sent to those recipients although we were told they were sent over a 4-week period beginning April 22, 2021, and ending May 13, 2021. Without adequate communication and information, recipients may not be aware of CARES Act flexibilities available to them and the processes to follow to request the flexibilities.

In written comments provided after our fieldwork, FSA officials stated that additional communications are scheduled to remind recipients to submit teacher certifications in

¹⁵ The communications were sent as part of an email campaign completed over 4 weeks to approximately 35,000 individuals. We received a listing of the population for 1 of the 4 weeks.

October 2021 and that these communications will include a reminder that if their teaching service was disrupted by the pandemic, then they should reach out to a call center representative to discuss potential eligibility for teaching service credit for the 2019–2020 academic year. We would note that this planned communication still does not appear to include any detailed information, similar to the previous communications referenced above.

Inadequate Identification and Reprocessing of TEACH Grant Recipients Eligible for CARES Act Flexibilities

We identified weaknesses in the servicer’s identification and reprocessing of TEACH Grant recipients eligible for CARES Act flexibilities. We found that the servicer did not always identify recipients that met the established criteria for reprocessing based on CARES Act flexibilities, those recipients identified by the servicer did not always meet the established criteria for reprocessing based on CARES Act flexibilities, and it was not always clear if those recipients identified by the servicer for reprocessing ultimately received credit towards their service obligation for the 2019–2020 academic year. As a result, some recipients may receive CARES Act flexibilities they are not entitled to while others that should receive the flexibilities may not.

The servicer was required to provide FSA with weekly reports to track certification reviews and categories of CARES Act-related approvals and denials.¹⁶ Based on our review of weekly reports and discussions with the TEACH Grant subject matter expert, recipients eligible for CARES Act flexibilities who were denied before the contract modification was implemented were tracked on a list of “Denials Approvable.”¹⁷ According to the TEACH Grant subject matter expert, these recipients’ certifications were initially denied and subsequently identified by the servicer as eligible for CARES Act flexibilities.

To verify whether the servicer appropriately identified recipients that would be eligible for reprocessing based on CARES Act flexibilities, we reviewed a cumulative list of 27 recipients identified by the servicer as “Denials Approvable” as of the week ending October 16, 2020. We determined that 7 out of the 27 recipients identified by the servicer were appropriately classified as “Denials Approvable” and therefore eligible for

¹⁶ These reports only captured recipients with employment end dates between March 1, 2020, and April 30, 2020.

¹⁷ “Denials Approvable” consists of recipients who were denied for “Employment—Less Than Full Time” or “Employment—Less Than Complete Academic Year,” and whose forms are otherwise approvable without any further recipient action.

credit under CARES Act flexibilities. We found that 20 of the 27 recipients should not have been classified as “Denials Approvable” based on their denial reason or codes. Six of the 20 recipients had denial reasons or codes that would make them “Denials Not Approvable,”¹⁸ and therefore not approvable without recipient action; 14 had denial reasons or codes that would make them ineligible for credit towards their service obligation.¹⁹

To determine whether recipients identified for reprocessing on the weekly reports actually received credit towards their service obligation, we reviewed the same cumulative list of 27 recipients identified by the servicer as “Denials Approvable” as of the week ending October 16, 2020. The TEACH Grant subject matter expert stated that certifications for all 27 recipients have since been approved by the servicer and credit was granted. This included one recipient that was initially overlooked and subsequently granted credit after the error was noted while pulling this data for our review in April 2021. Based on our review of the servicer’s data as of April 14, 2021, we were able to identify only 5 of the 27 individuals as having received credit towards their service obligation, 4 of whom were included in the 20 recipients above that we determined should not have been approvable based on their initial denial reasons or codes.

We noted an additional six recipients that were identified as “Denials Approvable” as of March 19, 2021. When asked why the six recipients were identified as “Denials Approvable” several months after the servicer had approval to implement the processes described under the contract modification, the TEACH Grant subject matter expert said they were not sure and would need to check with the servicer. According to correspondence between FSA and the servicer, the six forms needed to be reprocessed after the weekly report logic was adjusted to ensure they were only capturing the denial reason(s) associated with the most recent certification processing decision. The TEACH

¹⁸ “Denials Not Approvable” consists of recipients who were denied for “Employment—Less Than Full Time” or “Employment—Less Than Complete Academic Year,” that are not otherwise approvable without recipient action. Recipients would need to resubmit their certification form to correct the denial reasons. Examples of these types of denial reasons include missing Chief Administrative Officer or recipient signature, employment start or end date, school or educational service agency name, or subject area; or the form is damaged, illegible, or missing page(s).

¹⁹ Forms that are denied for these reasons would not be able to be approved and would be considered ineligible. Recipients would not be able to resubmit their certification form to correct any of these denial reasons unless their ineligible status has changed. Examples of these types of denial reasons include “School/Educational Service Agency—Not on Teacher Cancellation Low Income Directory,” “Subject Area—Ineligible as High Need,” and “Enrollment Status—Still Enrolled Recipient.”

Grant subject matter expert stated that certifications for these recipients have since been approved or reprocessed.

Weaknesses in Contract Modification Development and Oversight

We found that FSA did not effectively develop or oversee the implementation of the TEACH Grant servicer contract modification. We noted that the contract modification provided minimal direction and guidance to the servicer in implementing CARES Act flexibilities. In addition, we found that updated guidance was not timely approved or finalized by FSA and that sampling performed by FSA to ensure that certifications are being appropriately processed by the servicer was limited. By not developing more detailed requirements and not timely approving updated guidance, FSA lacks assurance that the servicer's processes were adequate and were timely implemented. In addition, by limiting its sampling, FSA is hindering its ability to identify and correct issues. See recommendations 1.2 and 1.3 on pages 19 and 20 pertaining to updates to documented servicer processes and verification that CARES Act flexibilities were granted appropriately.

Lack of Guidance and Timely Approvals

The contract modification consisted of seven requirements that the TEACH Grant servicer was to carry out because of the CARES Act.²⁰ Upon our review of the contract modification, we found that the requirements were vague and subject to interpretation, and little guidance or detail was provided to the servicer in terms of how they were to be carried out. We noted that there was no requirement for the servicer to document new processes, such as the reprocessing of recipient certification forms, and that FSA did not timely approve updates to existing guidance or procedures, which resulted in some discrepancies regarding the implementation date of the contract modification's requirements.

The effective date of the contract modification was September 9, 2020. We found that the servicer began providing weekly reports and proposed updates to guidance and procedures as required by the contract modification in October 2020. However, based on the weekly reports, we noted that the servicer did not start reprocessing recipients

²⁰ Four of these requirements were previously noted starting on page 13 and included requirements related to the publication and communication of CARES Act flexibilities and the identification, tracking, and reprocessing of aid recipients. The remaining three requirements involved updating call scripts and job aids, and reviewing, providing feedback on, and creating and implementing all approved FSA-generated correspondence related to the CARES Act.

that were initially denied but eligible for CARES Act flexibilities until January 2021. In addition, the TEACH Grant subject matter expert stated that the proposed updates to guidance and procedures were not approved by FSA until January 2021, and that the servicer was working with draft versions until then with the expectation that the documents would be approved with only minor changes or revisions.

When asked why there was a delay in the approval of the updated guidance and procedures, the TEACH Grant subject matter expert stated that there were more significant CARES Act-related issues that took priority. Specifically, the TEACH Grant subject matter expert noted that there were other CARES Act flexibilities being implemented that they recognized demanded greater immediacy than the TEACH Grant program since they could apply the benefits for the TEACH Grant program retroactively at a later date without any hardship to recipients. Limited personnel and resources were also cited as reasons for the delay. By not timely approving updated guidance and procedures, FSA lacks assurance that the appropriate procedures were being implemented by the servicer.

Limited Recipient Sampling

As part of the contract modification, the servicer was to provide a population of TEACH Grant recipients who may be impacted by COVID-19 that would then be used by FSA for sampling to ensure accuracy and alignment with CARES Act-related eligibility for benefits or relief. The TEACH Grant subject matter expert noted that this could consist of FSA selecting a random sample of the 35,000 accounts previously referenced that received email communications and ascertaining whether the emails were actually sent, whether the recipients sent in the certification form and if so, whether it was properly handled. The TEACH Grant subject matter expert noted that FSA could also select random samples from the detailed weekly reporting to ensure that everyone received the benefits they should have, and look into denials and whether they should have been denied. However, the TEACH Grant subject matter expert stated that FSA has not yet performed this sampling and was waiting until the end of the current academic year (2020–2021) to do so. Regarding the lack of sampling, the TEACH Grant subject matter expert noted that it was not clear how long the pandemic would last and added that there may be additional groups of recipients that are adversely affected by the pandemic during the 2020–2021 academic year.

In written comments provided subsequent to our fieldwork, FSA officials stated that their Vendor Oversight Group did conduct a review related to TEACH Grant recipient CARES Act flexibilities in March 2021. We reviewed a copy of the report, dated August 19, 2021, summarizing the findings of the review. As part of the review, the Vendor Oversight Group sampled recipients from the March 12, 2021, weekly report. The review examined all 27 reprocessed forms (“Denials Approvable”) noted on the report

and 10 forms that were not eligible for reprocessing.²¹ The Vendor Oversight Group’s review found the servicer correctly approved 26 of the 27 reprocessed TEACH Grant certification forms and credited each recipient with a year of teaching service. In addition, the review found errors with 4 of the 10 TEACH Grant certification forms that the servicer determined to be ineligible for reprocessing. As previously noted, we found that only 5 of the 27 recipients were approved according to the servicer’s data as of April 14, 2021, and 14 of the 27 recipients had denial reasons or codes that would make them ineligible.

Since the review was limited to recipients identified on the servicer’s weekly report, which only captures TEACH Grant recipients with employment end dates on or between March 1, 2020, and April 30, 2020, and did not include any recipients on that report that were not initially denied, FSA cannot ensure that the servicer is properly approving or rejecting certifications of all recipients that may be impacted by COVID-19. In addition, as of October 2021, FSA’s sampling has been limited to one weekly report several months after the contract modification went into effect in September 2020, hindering FSA’s ability to identify and correct any issues with the servicer’s processes sooner rather than later.

Recommendations

We recommend that the Chief Operating Officer of FSA—

- 1.1 Ensure potentially impacted recipients are notified that they may be eligible for a full year of qualifying teaching service if during the 2019–2020 or 2020–2021 school years their service was interrupted by the pandemic, including sending communications to potentially impacted recipients and posting more detailed information on customer-facing web pages to include
 - how recipients can receive credit under the CARES Act,
 - what recipients need to submit to receive credit under the CARES Act if their school closed outside of the March 1, 2020, to April 30, 2020, window, and
 - what recipients can do if their certification form for the 2019–2020 or 2020–2021 academic year was rejected or denied.
- 1.2 Ensure the servicer’s Processing Guide and Inbound and Outbound Calls Guide are updated to include applicable processes to follow for recipients that are

²¹ These forms were randomly selected and consisted of forms denied by the servicer due to uncorrectable issues in addition to the Chief Administrative Officer certifying the recipient’s qualifying teaching service for less than a full academic year.

eligible for CARES Act flexibilities consistent with the bulleted items noted in Recommendation 1.1 above.

- 1.3 Ensure FSA conducts adequate sampling to verify that CARES Act flexibilities were granted appropriately, to include recipients that may have been denied credit because their end date did not fall within the specified window, recipients that were initially denied but identified as eligible for CARES Act flexibilities (“Denials Approvable”), and recipients that had the specified employment end date but had an employment start date that did not meet FSA’s presumptions regarding when most school years begin.

FSA Comments

FSA agreed with the finding and stated that although it was highly effective in ensuring eligible TEACH Grant recipients impacted by the pandemic received CARES Act flexibilities, FSA acknowledged that this was an unprecedented challenge for the TEACH Grant program and that there are lessons learned that have been identified and used for better borrower experiences. FSA also agreed with Recommendations 1.1 and 1.2. FSA stated that for Recommendation 1.1, additional communications have been sent to all TEACH Grant recipients who have separated from school and who may or may not still be performing teaching service, explaining what those recipients need to do to maintain their grant eligibility. FSA stated that for Recommendation 1.2, it is committed to having the recommended updates completed in the first couple months of 2022.

FSA disagreed with Recommendation 1.3. FSA stated that it implemented a robust sampling of the population prior to our review and believes that the sampling was more than adequate. FSA stated it will continue to review and, as appropriate, sample the TEACH Grant servicer’s weekly reports to ensure TEACH Grant recipients continue to receive CARES Act benefits for the 2020–2021 academic year.

OIG Response

We disagree with FSA’s statement that its sampling was robust and more than adequate. FSA’s sampling was limited to one report from March 2021, 6 months after the contract modification was implemented, and did not include recipients with employment end dates outside of the specified time period or recipients who were not initially denied credit. FSA did not provide any additional evidence to indicate that any further sampling had been performed. Therefore, we did not make any changes to the finding or recommendations.

FSA’s proposed corrective actions are not fully responsive to our recommendations. Specifically, the corrective action for Recommendation 1.1 does not address the part of the recommendation pertaining to posting more detailed information on its customer-

facing web pages. While FSA did not specifically propose a corrective action related to Recommendation 1.3, the planned action noted by FSA does not indicate that it will address all potentially impacted academic years or recipients, to include those with employment end dates outside of the specified time period or recipients who were not initially denied credit. FSA's proposed corrective action for Recommendation 1.2, if implemented as described, is responsive to our recommendation.

Other Matter. Issues Identified with Data Provided by FSA and TEACH Grant Servicer

As noted above, we requested a listing of TEACH Grant recipients who submitted certification forms between March 1, 2020, and April 14, 2021, and the servicer's related recipient data.²² During our review of this data, we noted issues that questioned its reliability. This included recipients that appeared to have their certification forms approved despite their employment start date falling after their employment end date, and recipients that appeared to have their certification forms approved despite their employment dates applying to the 2021–2022 academic year, a future academic year.

Based on the logic checks performed, we judgmentally selected 15 certification forms to obtain some insight into whether the anomalies noted were attributable to illogical data on the forms themselves or data input errors by the servicer. (See [Appendix A](#) for further discussion related to selection of certification forms.) We found six certification forms where the employment start date on the form did not match the start date provided in the recipient data and four certification forms where the employment end date on the form did not match the end date provided in the servicer's recipient data.²³

Additionally, we found that the total number of TEACH Grant recipients that submitted an annual certification form between March 1, 2020, to April 14, 2021, and were denied a certification solely for less than full-time service or for less than a full academic year of teaching, per the data provided by FSA (151 recipients), did not equal the sum (171 recipients) of the number of TEACH Grant recipients similarly denied between March 1, 2020, and September 9, 2020, (57 recipients) and between September 10, 2020, and April 14, 2021, (114 recipients).²⁴ According to the TEACH Grant subject matter expert, the discrepancy was due to 20 recipients submitting multiple certification forms—one between March 1, 2020, and September 9, 2020, and another between September 10, 2020, and April 14, 2021. However, we did not identify any individuals that submitted a certification form in both periods.

²² We determined that 26,629 recipients submitted certification forms during this time period.

²³ This accounts for scenarios where a date other than the start or end date of employment recorded may be used. For example, the Processing Guide notes that if the employment end date is in the future from the current date or after the Chief Administrative Officer signature date, use the Chief Administrative Officer signature date as the employment end date.

²⁴ We asked FSA to provide the data in a way to account for the effective date of Change Request 5592, which was noted as September 9, 2020.

We also identified data quality concerns regarding the weekly reports submitted to FSA by the TEACH Grant servicer. We noted that recipient data included in the weekly reports did not always match the recipient data submitted to us by FSA. Specifically, we found instances where recipients had error codes listed in the weekly report that were not always the same error codes found in the recipient data and vice versa, an instance where the Document Control Number listed for a recipient on the weekly reports did not match the Document Control Number listed for the same recipient in the recipient data, and instances where individuals listed in the weekly reports were not listed at all in the recipient data.

Despite these limitations, we believe the evidence obtained provides a reasonable basis for our findings and conclusions based on the review objectives. Specifically, the limitations noted did not impact our ability to assess the Department's plans and processes to ensure TEACH grantees receive full-time credit toward their service obligations for part-time or temporarily interrupted service due to COVID-19.

Suggestions

We suggest that FSA further review the anomalies in the recipient data and the weekly reports noted above, as well as the discrepancy noted in the total number of recipients denied solely for less than full-time service or for less than a full academic year of teaching, taking needed corrective actions as warranted.

FSA Comments

FSA agreed with this issue and suggestion, noting that it previously completed a review that resulted in improvements to the TEACH Grant servicer's data reporting and that it will continue to recommend that the TEACH Grant servicer implement stronger controls, specifically around data quality assurance.

OIG Response

FSA's proposed corrective action, if implemented as described, is responsive to our suggestions.

Appendix A. Scope and Methodology

To answer our objective, we reviewed laws, regulations, and guidance related to CARES Act flexibilities for the TEACH Grant program. We also reviewed prior OIG, Government Accountability Office and other Federal agencies' reports related to our objective. We obtained and examined the information presented in this report through interviews, documentation requests, and data provided to us by FSA. Specifically, we

- reviewed applicable documentation, to include
 - FSA's contract modification with the TEACH Grant servicer incorporating requirements the servicer was to carry out regarding CARES Act-related flexibilities;
 - customer-facing web pages, updated procedures, guidance, and frequently asked questions related to FSA's processes for granting CARES Act flexibilities; and
 - correspondence between Department staff and the TEACH Grant servicer and between the TEACH Grant servicer and TEACH Grant recipients.
- Interviewed relevant Department officials and the TEACH Grant subject matter expert to gain an understanding of the Department's plans, processes, and procedures to ensure TEACH grantees receive full-time credit toward their service obligation for part-time or temporarily interrupted service due to COVID-19.
- Performed data analysis of the population of TEACH Grant recipients that submitted TEACH Grant certification forms between March 1, 2020, and April 14, 2021, and weekly servicer reports used to track recipients to evaluate the Department's processes for granting TEACH Grant recipients CARES Act flexibilities.
- Reviewed a judgmental selection of certification forms submitted between March 1, 2020, and April 14, 2021.

Sampling Methodology

From the listing provided by FSA, we identified a population of 26,629 TEACH grant recipients that submitted a certification form from March 1, 2020, to April 14, 2021. Based on logic checks we performed on the population recipient data provided from FSA, we judgmentally selected 15 certification forms for further review of questionable data identified:

- Academic year listed appeared to be incorrect.

- Recipient employment dates that did not appear to be indicative of a complete academic year but were approved. These included employment start dates later than when academic years typically begin and employment end dates earlier than when academic years typically end.
- Recipient employment dates that appeared to be indicative of a complete academic year but were not approved.
- Employment start dates that were later than the employment end date but were approved.

Since we selected these certifications judgmentally, results described in this report related to these certifications may not be representative of the population and should not be projected.

Use of Computer-Processed Data

We relied on computer-processed data obtained from FSA for the population of recipients who submitted certification forms between March 1, 2020, and April 14, 2021, (population data). The population data consisted of information obtained from recipients' certification forms and the servicer's review of the forms, and included data such as academic year, employment start and end dates, and denial codes. We also obtained weekly report data provided by the TEACH Grant servicer which identified recipients based on categories related to CARES Act approvals and denials. The weekly reports included data that was similar to the data included in the population data, such as employment start and end dates and denial codes. We used this data to gain an understanding of the Department's processes for approving and denying TEACH Grant certification forms under CARES Act flexibilities.

To assess the reliability of the data, we compared weekly report data against the population data. We also compared information from our sample of certification forms against weekly report data and population data. We identified several data quality concerns, as noted in the Other Matter section of this report, including data that did not match between the servicer's weekly reports and the population data, and data not matching between the sample of certification forms and population data.

Despite these limitations, we believe the evidence obtained provides a reasonable basis for our findings and conclusions based on the review objective. Specifically, the limitations noted did not impact our ability to assess the Department's plans and processes to ensure TEACH grantees receive full-time credit toward their service obligations for part-time or temporarily interrupted service due to COVID-19.

Compliance with Standards

We prepared this report in alignment with OIG’s quality control standards and the Council of Inspectors General for Integrity and Efficiency’s “Quality Standards for Inspection and Evaluation.” Those standards require that we plan and perform the inspection to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Appendix B. TEACH Grant Certification Form



Records Code: XTAC

TEACH GRANT CERTIFICATION

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

SECTION 1: TEACH GRANT RECIPIENT IDENTIFICATION Please enter or correct the following information.

SSN - - Name _____
 Address _____ City _____ State _____ ZIP _____
 E-mail: Optional _____
 Telephone - Primary _____ Telephone - Alternate _____

SECTION 2: TEACH GRANT RECIPIENT'S UNDERSTANDINGS AND CERTIFICATIONS

Before completing this section, carefully read the entire form, including the instructions, definitions, terms and conditions, and important notices in Sections 4, 5, and 6.

- I understand that:
 - I must fulfill a teaching service obligation (service obligation) for each academic program for which I received a TEACH Grant, as stated in the Agreement to Serve (Agreement) that I signed before receiving each TEACH Grant. If I do not fulfill my service obligation, all TEACH Grant funds that I received will be converted to Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) that I must repay to the U.S. Department of Education (the Department), with interest charged from the date of each TEACH Grant disbursement.
 - To fulfill my service obligation, I must teach full time for a total of at least four academic years within eight years after I complete or otherwise cease to be enrolled in the program for which I received TEACH Grant funds. My teaching service must meet the requirements specified in Section 6 and in my Agreement.
 - After completing each of the four academic years of required teaching service, I must provide my TEACH Grant servicer with documentation of my teaching service by providing the information requested in Item A below and obtaining a certification in Section 3 of this form from the Chief Administrative Officer for the school or educational service agency where I taught.
 - If I am not teaching, I must certify my intent to satisfy my teaching service obligation by checking the box in Item B below and signing the form. (If you did not complete your TEACH Grant program of study, see Section 6.)

- I certify that:
 - (A) I taught full time for one complete academic year, as certified in Section 3 (If you check this box for this reason you must complete items 1, 2 and 3 below, and sign the form. Your Chief Administrative Officer must complete Section 3.) **Or**

I am currently performing qualifying teaching service, but have not yet taught for a complete academic year (If you check this box for this reason you must complete items 1, 2 and 3 below, and sign the form. If you did not complete the program for which you received your TEACH grants, your Chief Administrative Officer must complete Section 3 and indicate that you have not taught a complete academic year using the check box provided.)

- (1) I am teaching or have taught full time as a highly-qualified teacher at a/an (check only **one** box):
 - Low-income elementary or secondary school
 - Low-income educational service agency
 - Elementary or secondary school operated by the Bureau of Indian Education (BIE) or operated on an Indian reservation by an Indian tribal group under contract with the BIE.

- (2) During the year of teaching listed below and as certified in Section 3, more than half of the classes I am teaching or have taught were in one or more of the following high-need fields (check all that apply):
 - Mathematics
 - Science
 - Foreign Language
 - Bilingual Education
 - English Language Acquisition
 - Special Education
 - Reading Specialist
 - Other high-need field (see Section 5; list the other high-need field and grade level taught): _____

- (3) I am teaching or have taught at:

 Name of School (Not School District) or Educational Service Agency at which I am teaching School Web Address

 Address of School or Educational Service Agency (Street, City, State, ZIP)

- (B) I am not teaching, but I intend to satisfy my TEACH Grant service obligation. (If you check this box you only need to sign below)
- (C) I did not complete my TEACH Grant-eligible program of study and am not teaching, but I have reenrolled in another eligible program of study, as defined in Section 5. (If you check this box, sign the form and have an authorized official complete Section 3 to confirm your enrollment in an eligible program. In addition, you may contact us to request a suspension of the eight-year period for completing your service obligation.)
- (D) The information I provided in Sections 1 and 2 is true and correct.
- (E) I have read and understand the definitions in Section 5 and the terms and conditions in Section 6.
- (F) My teaching service met the requirements specified in Section 6.

 TEACH Grant Recipient's Signature

 Today's Date (mm-dd-yyyy)

Recipient Name: _____ Recipient SSN: _____

SECTION 3: CHIEF ADMINISTRATIVE OFFICER or AUTHORIZED OFFICIAL'S CERTIFICATION

Before completing this section, carefully read the instructions, definitions, and terms and conditions in Sections 4, 5, and 6. If recipient is teaching, complete as Chief Administrative Officer. Return the completed form to the grant recipient identified in Section 1. If the recipient is enrolled in a TEACH Grant eligible program of study, complete as Authorized Official.

Chief Administrative Officer only: I certify that the grant recipient identified in Section 1 *taught* during the academic year as a full-time highly-qualified teacher (as defined in Section 5) from _____ (mm-dd-yyyy) to _____ (mm-dd-yyyy) at the eligible low-income elementary school, secondary school or educational service agency identified by the grant recipient in Section 2, and that during this year the grant recipient taught more than half of his or her classes in the high-need field(s) identified by the grant recipient in Section 2.

Check here if certifying teaching service for less than a complete academic year.

Authorized Official only: I certify that the grant recipient identified in Section 1 *is/was enrolled* at _____ (Name of Institution) in an eligible program, as defined in Section 5 during the academic period from _____ (mm-dd-yyyy) to _____ (mm-dd-yyyy).

Chief Administrative Officer/Authorized Official's Name and Title (Printed) _____ Telephone _____

Chief Administrative Officer/Authorized Official's Signature _____ Today's Date (mm-dd-yyyy) _____

SECTION 4: GENERAL INFORMATION AND INSTRUCTIONS

- Type or print using dark ink. Enter dates as month-day-year (mm-dd-yyyy). Use only numbers. Example: January 31, 2013 = 01-31-2013.
- If you are certifying teaching service, the Chief Administrative Officer for the school or educational service agency where you performed your qualifying teaching service must complete Section 3. If you taught at more than one school or educational service agency during the same academic year, you may complete one certification form for each school or educational service agency at which you taught if one school or educational service agency cannot certify your complete academic year of teaching.
- If you are certifying enrollment in an eligible program of study, an Authorized Official for the school at which you are/were enrolled in the eligible program of study must complete Section 3.
- Return the completed form and any attached pages to the address shown in Section 7.

SECTION 5: DEFINITIONS

- An **academic year** or its equivalent is one complete elementary or secondary school year, or two complete and consecutive half-years from different school years (excluding summer sessions) that generally fall within a 12-month period. If a school or educational service agency has a year-round program of instruction, a minimum of nine months is considered to be the equivalent of an academic year.
- An **authorized official** who may complete Section 3 is an official of the school at which you are/were enrolled in a TEACH Grant-eligible program.
- The **Chief Administrative Officer** for a school or educational service agency is the individual who has access to the employment records which establish that the grant recipient's teaching service met the requirements of the TEACH Grant Program, as explained in Section 6, and who is authorized to verify the grant recipient's qualifying teaching service. The Chief Administrative Officer may vary depending on the teacher's employer, and could include (but is not limited to) the principal or assistant principal of the school where the grant recipient taught, the superintendent, assistant superintendent, or human resources director for a school district or educational service agency, or the chief executive officer of an educational services agency.
- An **eligible program of study** is one that is TEACH Grant-eligible and is designed to prepare an individual to teach as a highly-qualified teacher in a high-need field and leads to a baccalaureate or master's degree, or is a post-baccalaureate program of study. A two-year program of study that is acceptable for full credit toward a baccalaureate degree is considered to be a program of study that leads to a baccalaureate degree. An eligible program of study is also a program of study that has been determined by a state to satisfy the requirements for certification or licensure to teach in the state's elementary or secondary schools.
- A **high-need field** includes the following: (1) bilingual education and English language acquisition; (2) foreign language; (3) mathematics; (4) reading specialist; (5) science; (6) special education; and (7) any other field listed in the U.S. Department of Education's (the Department's) annual [Teacher Shortage Area Nationwide Listing \(Nationwide List\)](#).
 - **Bilingual education** is an educational program in which two languages are used to provide content matter instruction. **English language acquisition** is the process of acquiring English as a second language.
 - **Special education** means specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability, including instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings; and instruction in physical education, i.e., physical therapy. A **child with a disability** is a child who needs special education and related services because the child has mental retardation, a hearing impairment (including deafness), a speech or language impairment, a visual impairment (including blindness), a serious emotional disturbance, an orthopedic impairment, autism, a traumatic brain injury, another health impairment, or a specific learning disability. For a child age 3 through 9, the term a child with a disability may, at the discretion of the state and the local educational agency, include a child who needs special education and related services because the child is experiencing developmental delays, as defined by the state and as measured by appropriate diagnostic instruments and procedures, in one or more of the following areas: physical development, cognitive development, communication development, social or emotional development, or adaptive development.
- A **post-baccalaureate program of study** is a program of instruction for individuals who have completed a baccalaureate degree that (1) does not lead to a graduate degree; (2) consists of courses required by a State in order for a student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State, except that it does not include any program of instruction offered by a TEACH Grant-eligible institution that offers a baccalaureate degree in education; and (3) is treated as an undergraduate program of study for the purposes of title IV of the Higher Education Act.
- A **school or educational service agency serving low-income students (low-income school or low-income educational service agency)** is an elementary or secondary school or educational service agency that: (1) is in the school district of a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act; (2) has been determined by the Department to be a school in which more than 30 percent of the school's total enrollment is made up of children who qualify for services provided under title I of the Elementary and Secondary Education Act; and (3) is listed in the Department's [Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits](#). All elementary and secondary schools operated by the U.S. Department of the Interior's Bureau of Indian Education (BIE) or operated on Indian reservations by Indian tribal groups under contract or grant with the BIE qualify as low-income schools. If the school or educational service agency where you teach meets the low-income requirements during all or a part of a school year of my required four school years of teaching, but does not meet those requirements in subsequent school years, those subsequent years of teaching at that school or educational service agency will still qualify for purposes of satisfying my TEACH Grant service obligation.
 - An **educational service agency** is a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies, as defined in section 9101 of the Elementary and Secondary Education Act of 1965, as amended.
 - An **elementary school** is a nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education as defined under State law.
 - A **secondary school** is a nonprofit institutional day or residential school, including a public secondary charter school, that provides secondary

education, as determined under State law, except that the term does not include any education beyond grade 12.

- The **Teacher Education Assistance for College and Higher Education (TEACH) Grant Program** provides funds to students who are completing or who plan to complete coursework that is required to begin a career in teaching.
- A **teacher** is a person who provides direct classroom teaching or classroom-type teaching in a non-classroom setting, including special education teachers and reading specialists. School librarians, guidance counselors, and other administrative staff are not considered teachers for the purposes of fulfilling the TEACH Grant service obligation.
 - A **full-time teacher** is a teacher who meets the standard used by a State in defining full-time employment as a teacher. For an individual teaching at more than one school or educational service agency, the determination of full-time is based on the combination of all qualifying employment.
 - The **highly-qualified teacher** requirements are specified in section 9101(23) of the Elementary and Secondary Education Act of 1965, as amended, or, for special education teachers, in section 602(10) of the Individuals with Disabilities Act.

SECTION 6: TEACH GRANT PROGRAM TERMS AND CONDITIONS

- For each academic program for which you receive TEACH Grant funds, you must complete a service obligation by teaching full time for a total of at least four academic years:
 - As a **highly-qualified teacher** (see Section 5);
 - At a **school or educational service agency serving low-income students** (see Section 5); and
 - In a **high-need field** (see Section 5) in more than half of the classes that you teach during each academic year.
- You must complete the required four years of teaching within eight years after you complete or otherwise cease to be enrolled in the program for which you received the TEACH Grant.
- After completing each year of your required four years of teaching service, you must complete and submit this TEACH Grant Certification to the Department.
- If you received a TEACH Grant but do not complete the required four years of teaching service within eight years of completing (or otherwise ceasing to be enrolled in) the program for which you received a TEACH Grant, all TEACH Grant funds you received will be converted to Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) that you must repay in full to the Department, with interest charged from the date of each TEACH Grant disbursement you received.
- If you received a TEACH Grant but did not complete your program of study, within 120 days of ceasing enrollment you must certify that you are employed as a full-time teacher in accordance with the terms and conditions listed in your Agreement to Serve, or that you are not yet employed as a full-time teacher, but you intend to meet the terms and conditions of your service obligation. If you do not meet one of these requirements, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- If you received a TEACH Grant but did not complete your program of study, within one year of ceasing enrollment you must re-enroll in a TEACH Grant eligible program, begin creditable teaching service or be determined eligible for a suspension of your eight-year obligation period. If you do not meet one of these requirements, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- If you complete the academic program for which you received a TEACH Grant, you must actively confirm at least once each year that you intend to satisfy your service obligation. If you do not actively confirm your intention, your TEACH Grant will be converted to a Direct Unsubsidized Loan.
- You must maintain qualifying employment within a timeframe that allows you to complete your service obligation within the allotted eight-year period.
- For complete terms and conditions of the TEACH Grant Program, see the TEACH Grant Agreement to Serve (Agreement) that you were required to sign before you received a TEACH Grant.

SECTION 7: WHERE TO SEND THE COMPLETED CERTIFICATION FORM

Return the completed form and any attachments to:

U.S. Department of Education
FedLoanServicing
P.O. Box 69184
Harrisburg, PA 17106-9184
or Fax to: 717-720-1628

If you need help completing this form, call:

1-800-699-2908
International: 717-720-1985
TDD: 1-800-722-8189

Appendix C. Acronyms and Abbreviations

CARES Act	Coronavirus Aid, Relief, and Economic Security Act
COVID-19	Coronavirus Disease 2019
Department	U.S. Department of Education
FSA	Federal Student Aid
OIG	Office of Inspector General
PHEAA	Pennsylvania Higher Education Assistance Agency
Processing Guide	TEACH Grant Recipient Certification Processing Guide
Servicer FAQs	TEACH Grant CARES Act Servicing Frequently Asked Questions
TEACH	Teacher Education Assistance for College and Higher Education

FSA Comments



December 10, 2021

TO: Michele Weaver-Dugan
Regional Inspector General for Audit, Internal Operations
Philadelphia Audit Region
Office of Inspector General
U.S. Department of Education

Mr. Jeffrey Nekrasz, Director Student Financial Assistance Advisory and Assistance
Office of Inspector General
U.S. Department of Education

FROM: Richard Cordray
Chief Operating Officer
Federal Student Aid

A handwritten signature in black ink that reads "Richard Cordray".

SUBJECT: Draft Audit Report, “The Department’s Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations”, Control Number ED-OIG/120DC0024

Dear Ms. Weaver-Dugan:

Thank you for the opportunity to review and comment on the statements and recommendations made in the Office of Inspector General (“OIG”) Draft Report, *The Department’s Implementation of CARES Act Flexibilities to TEACH Grant Service Obligations* (120DC0024), dated November 19, 2021.

OIG presented one finding in the Draft Report, with three recommendations. Federal Student Aid’s (FSA) response to the finding and recommendations are below.

- FSA has already taken measures to address the recommendations presented in OIG’s draft report. FSA has effectively communicated and provided CARES Act flexibilities to TEACH grant recipients.
- FSA has not registered any customer complaints or issues being communicated through standard channels or social media to suggest any dissatisfaction related to FSA’s delivery of services and benefits afforded TEACH Grant recipients under the CARES Act as well.
- Presently, FSA is focused on mobilizing resources and undertaking the immense challenges presented by the CARES Act payment pause ending on January 31, 2022, and its impact to students and families across the country.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

830 First Street, NE, Washington, DC 20202
StudentAid.gov

Finding 1. Improvements Are Needed in FSA’s Implementation of TEACH Grant CARES Act Flexibilities

FSA’s Response: FSA agrees with this finding.

Although FSA was highly effective in ensuring eligible TEACH Grant recipients impacted by the pandemic received the CARES Act flexibilities available to them, FSA acknowledges that this was an unprecedented challenge for the TEACH Grant program and there are lessons learned that have been identified and used for better borrower experiences.

OIG’s recommendations will serve to enhance this effort and others in the future as well.

Recommendation 1.1: Ensure potentially impacted recipients are notified that they may be eligible for a full year of qualifying teaching service if during the 2019–2020 or 2020–2021 school years their service was interrupted by the pandemic, including sending communications to potentially impacted recipients and posting more detailed information on customer-facing web pages to include

- how recipients can receive credit under the CARES Act,
- what recipients need to submit to receive credit under the CARES Act if their school closed outside of the March 1, 2020, to April 30, 2020, window, and
- what recipients can do if their certification form for the 2019–2020 or 2020–2021 academic year was rejected or denied.

FSA’s Response to Recommendation 1.1: FSA agrees with this recommendation.

OIG expressed the importance of increasing communication and outreach efforts during the early stages of this review, especially through additional correspondence campaigns.

Additional communications have been sent to all TEACH Grant recipients who have separated from school and who may or may not still be performing teaching service explaining what those recipients need to do in order to maintain their grant eligibility. These communications explicitly advise borrowers about CARES Act flexibilities that are available to recipients who may have had their service adversely impacted during the 2019-2020 or 2020-2021 academic years.

Provided under separate cover are copies of correspondence, dates sent, number of recipients.

Recommendation 1.2: Ensure the servicer’s Processing Guide and Inbound and Outbound Calls Guide are updated to include applicable processes to follow for recipients that are eligible for CARES Act flexibilities consistent with the bulleted items noted in Recommendation 1.1 above.

FSA’s Response to Recommendation 1.2: FSA agrees with this recommendation.

FSA agrees with this recommendation and is committed to having these updates completed in the first couple of months in 2022.

Recommendation 1.3 Ensure FSA conducts adequate sampling to verify that CARES Act flexibilities were granted appropriately, to include recipients that may have been denied credit because their end date did not fall within the specified window, recipients that were initially denied but identified as eligible for CARES Act flexibilities (“Denials Approvable”), and recipients that had the specified employment end date but had an employment start date that did not meet FSA’s presumptions regarding when most school years begin.

FSA’s Response to Recommendation 1.3: FSA disagrees with this recommendation.

As shared with OIG previously, FSA implemented a robust sampling of this population prior to OIG’s review, and we believe the sampling was more than adequate. As such FSA will continue to review and, as appropriate, sample FedLoan Servicing’s CR 5592 report to ensure TEACH Grant recipients continue to receive CARES Act benefits for the 2020-2021 academic year.

Other Matter: Issues Identified with Data Provided by FSA and TEACH Grant Servicer

Suggestion: We suggest that FSA further review the anomalies in the recipient data and the weekly reports noted above, as well as the discrepancy noted in the total number of recipients denied solely for less than full-time service or for less than a full academic year of teaching, taking needed corrective actions as warranted.

FSA agrees with this issue and suggestion.

As mentioned earlier, FSA’s Vendor Oversight Group (VOG) completed a review of CR 5592 that resulted in improvements to the TEACH Grant Servicer’s data reporting like OIG’s suggestion above. FSA has previously and will continue to recommend that the TEACH Grant servicer implement stronger controls, specifically around data quality assurance.

Thank you for the opportunity to respond to the recommendations outlined in this OIG draft report. We appreciate the time and the effort involved in auditing this issue, as well as the opportunity to comment.