

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Rigorous secondary school programs – recognition

Regulatory Cite: §691.16

Summary of Issue: Section 401A(f) of the HEA requires the Secretary to recognize at least one rigorous secondary school program of study in each State to determine student eligibility for an ACG. The regulations provide that, for an award year, the Secretary recognizes at least one rigorous secondary school program of study in each State identified by a State Educational Agency (SEA) or by a Local Educational Agency (LEA). In §691.16(d) the Secretary also recognized certain secondary school programs of study as rigorous that are in addition to any that may subsequently be explicitly identified by SEAs and LEAs and recognized by the Secretary to ensure that deserving students will be able to establish their eligibility for an ACG. Should the regulations be modified?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Mandatory Participation

Regulatory Cite: §691.7

Summary of Issue: An institution with eligible educational programs that participates in the Federal Pell Grant Program must participate in the ACG and National SMART Grant programs. This provision was adopted to ensure that eligible students would be able to receive grants by ensuring that institutions would participate in the ACG and National SMART Grant programs. This policy is at variance with general title IV requirements that generally allow institution flexibility in determining which title IV programs the institution may choose to participate but reflects the mandatory nature of the two new programs. Should mandatory participation be removed?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Eligibility of certificate programs for ACG

Regulatory Cite: §691.2(d)

Summary of Issue: Section 401A(c)(3)(A) and 401A(c)(3)(B) of the HEA, requires that an eligible student be enrolled or accepted for enrollment in an undergraduate program at a two- or four-year degree-granting institution of higher education to be eligible for an ACG and section 401A(c)(3)(C) requires that an eligible student be enrolled or accepted for enrollment at a four-year degree-granting institution of higher education for a National SMART Grant. Because the HEA requires a student to be enrolled or accepted for enrollment in a program of undergraduate education at a degree-granting institution of higher education, these programs appear to be intended to assist students in attaining a degree. Section 691.2(d) defines an eligible program in accordance with this understanding as not including certificate programs while including the following as eligible:

- ACG – a program leading to an associate’s or bachelor’s degree, a two-academic year program acceptable for full credit toward a bachelor’s degree, or a graduate degree program that includes at least three academic years of undergraduate education.
- National SMART Grant Program – a program leading to a bachelor’s degree in an eligible major or a graduate degree program in an eligible major that includes at least three academic years of undergraduate education.

Can we extend eligibility for ACG to students’ enrolled in certificate programs? For National SMART Grants?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Requirement that Federal Pell Grants and ACG or National SMART Grants be disbursed at the same institution

Regulatory Cite: §691.11

Summary of Issue: Several requirements related to the administration of the Federal Pell Grant Program and the ACG and National SMART Grant programs appear to necessitate that the same institution disburse funds from these programs for the same payment periods. A student must receive a Federal Pell Grant disbursement in the same award year in which the student receives an ACG or National SMART Grant; an institution may pay only on the transaction that is the valid Student Aid Report or valid Institutional Student Information Record (ISIR) (and only the institution paying the Federal Pell Grant will know which ISIR is the valid one); and institutions must report verification records for these three programs. Based on these factors, in the very limited circumstances in which different institutions would choose to administer and disburse funds from different title IV, HEA programs, §691.11 currently mandates that the institution that chooses to disburse Federal Pell Grant Program funds must also disburse the ACG and National SMART Grant funds. Is it feasible to allow more than one institution to disburse Federal Pell Grant and ACG or National SMART Grants for the same payment periods? What if the payment periods differ, e.g., a semester and a quarter?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: GPA – transfer students

Regulatory Cite: §691.15(b)(1), (c)(3), and (d)

Summary of Issue: In the case of a transfer student, for the first payment period, institutions must rely on the grades of the courses from the prior institution accepted toward the student's eligible program. Once a student has the grades for a payment period at the new institution for coursework taken toward the eligible program, the institution may use the GPA calculated from those grades only, unless there is an institutional policy that a student's GPA at the new institution include transfer grades. Should there be any changes in the treatment of a transfer student's GPA?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: GPA – coursework

Regulatory Cite: §691.15(b)(1), (c)(3), and (d)

Summary of Issue: Section 401A(c)(3) of the HEA requires a student to meet the necessary GPA only at the end of the student’s first academic year for an ACG, but throughout the student’s third and fourth academic years for a National SMART Grant. Accordingly, under §691.15(b)(1)(iii), to receive a second-year ACG, the student must have at least a 3.0 GPA for the student’s first title IV academic year of enrollment in an eligible program. Under §691.15 (c)(3), to receive a National SMART Grant, a student must maintain at least a 3.0 cumulative GPA through the most recently completed payment period in the coursework required for a student’s eligible program.

The GPA is calculated based on the grades in the courses of the student’s eligible program and in accordance with the same standards that are used to calculate GPA for other academic and title IV purposes at the institution. Should there be any changes in determining the coursework used to calculate a student’s GPA that would comply with the statutory requirements?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: GPA – timing of calculation

Regulatory Cite: §691.15(b)(1), (c)(3), and (d)

Summary of Issue: Section 401A(c)(3) of the HEA requires a student to meet the necessary GPA only at the end of the student’s first academic year for an ACG, but throughout the student’s third and fourth academic years for a National SMART Grant. Accordingly, under §691.15(b)(1)(iii), to receive a second-year ACG, the student must have at least a 3.0 GPA for the student’s first title IV academic year of enrollment in an eligible program. Under §691.15 (c)(3), to receive a National SMART Grant, a student must maintain at least a 3.0 cumulative GPA through the most recently completed payment period in the coursework required for a student’s eligible program. Should there be any changes in the time period for which a student’s GPA is computed for a payment period that would comply with the statutory requirements?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: GPA – eligibility for disbursement

Regulatory Cite: §691.75(b)(2) and (3), (c), and (d)

Summary of Issue: Section 691.75(b)(2) and (3), (c), and (d) specifies the requirements that govern an institution's determination of a student's eligibility for a disbursement of an ACG or National SMART Grant and are similar to those in §690.75 of the Federal Pell Grant Program to the extent practicable. Similar to the Federal Pell Grant Program requirements for determinations of a student's satisfactory academic progress, the regulations have provisions for the treatment of institutional determinations for a payment period regarding changes in a student's GPA to provide institutions the flexibility to reconsider a student's eligibility for an ACG or National SMART Grant payment during a payment period depending on when grades are earned or posted. Should there be any changes in determining a student's eligibility for a payment period with respect to GPA?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Academic Year Progression

Regulatory Cite: §668.2(b), §691.2, and §691.6

Summary of Issue: The HEA requires that a student’s eligibility for an ACG or National SMART Grant is tied to the student’s progression of title IV, HEA academic years during the student’s undergraduate enrollment. Under the HEA, a student may be eligible for an ACG during the first and second title IV, HEA academic years of the student’s undergraduate education and for a National SMART Grant during the third and fourth academic years of the student’s undergraduate education. Using the title IV academic year requires institutions to determine the student’s progression in both credit or clock hours and weeks of instructional time and differs from academic progression as used in the loan programs that rely on grade level and, thus, require only determinations regarding the student’s standing in credit or clock hours. Many institutions are not prepared to track a student’s progress in weeks of instructional time as well as credit or clock hours or across the student’s years of attendance in undergraduate education. Are there additional changes possible to alleviate institutional burden?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Interpreting prior enrollment – dual enrollment and early college programs

Regulatory Cite: §691.15(b)(1)(ii)(B)

Summary of Issue: Section 401A(c)(3)(A)(ii) of the HEA provides that a student is eligible for a first-year Academic Competitiveness Grant (ACG) if the student “has not been previously enrolled in a program of undergraduate education”.

Under the July 3, 2006 interim final regulations, the Department basically repeated the statutory language with the understanding that a student was eligible for a first-year ACG if the student had not been previously enrolled in any eligible or ineligible undergraduate educational program as a regular student, i.e., is a student enrolled for the purpose of getting a degree or certificate.

Based on public comment and further consideration of the statutory provision, the language was changed in the November 1, 2006, final regulations to restrict the applicability of the provision by providing that a student is eligible for a first-year ACG if the student has not previously enrolled a regular student in an eligible program while enrolled in high school. Thus, a student would be eligible after graduating from high school even if—

- While in high school, the student enrolled in an ineligible program, e.g., a certificate program, or postsecondary courses without being admitted as a regular student; or
- After high school, the student was enrolled in an eligible program as long as the student had not completed his or her first academic year of enrollment in an eligible program.

Under the current regulations, students enrolled in dual-credit and early college programs may be eligible if they are not admitted while in high school as a regular student in an eligible program.

Are further changes needed to the regulations?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Interpreting prior enrollment – AP and IB credit

Regulatory Cite: §691.15(b)(1)(ii)(B)

Summary of Issue: Section 401A(c)(3)(A)(ii) of the HEA provides that a student is eligible for a first-year Academic Competitiveness Grant (ACG) if the student “has not been previously enrolled in a program of undergraduate education”. The Department has determined that AP and IB courses are secondary courses that do not impact a student’s eligibility under the prior enrollment provision. Credits at institutions of higher education based on AP and IB results are considered postsecondary credits. Are changes needed to the regulations?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Eligible majors and CIP codes expansion

Regulatory Cite: §691.17

Summary of Issue: Section 401A(c)(3)(C)(i) of the HEA provides that a student may receive a National SMART Grant if the student is pursuing a major, as determined by the Secretary, in the physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language. Section 691.17(a) of the regulations provides that, for each award year, the Secretary identifies the eligible majors in the majors within each designated field. Should the regulations be modified to include a process by which the Secretary may expand the list of identified eligible majors as well as their associated CIP codes within each designated major field (physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language)?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Institutional flexibility in determining timing of student declaration of eligible major

Regulatory Cite: §691.15(c)(2)(i)(B)

Summary of Issue: Section 401A(c)(3)(C) of the HEA provides that a student enrolled or accepted for enrollment in the third or fourth academic year of a program of undergraduate education may receive a National SMART Grant if the student is pursuing a major, as determined by the Secretary, in the physical, life, or computer sciences, mathematics, technology, engineering, or a critical foreign language. Section 691.15(c)(2)(i)(A) requires that, to receive a National SMART Grant, an otherwise eligible student must formally declare an eligible major in accordance with the institution's academic requirements. If the institution's academic requirements do not allow a student to declare an eligible major in time to qualify for a National SMART Grant, section 691.15(c)(2)(i)(B) of the regulations provides that, if otherwise eligible, a student can still qualify for a National SMART Grant if he or she demonstrates intention to declare an eligible major as documented by the institution, formally declares an eligible major as soon as the institution's academic requirements allow, and enrolls in courses necessary both to complete the degree program as well as to fulfill the requirements of the intended eligible major. Are there any additional institutional flexibilities by which a student could be determined to be pursuing an eligible major when the institution's academic requirements do not allow declaration of an eligible major in time for the student to qualify for a National SMART Grant?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Completion of a Rigorous Secondary School Program of Study

Regulatory Cite: §691.15(b)(2) and (3)

Summary of Issue: Section 401A(c)(3)(A)(i) and (B)(i) of the HEA requires that, to receive an ACG, a student must have “successfully completed” a rigorous secondary school program of study, as recognized by the Secretary. The regulations provide that an institution is required to document a student's completion of a rigorous secondary school program of study using documentation from the appropriate cognizant authority provided by that authority or the student. However, the ACG regulations do not specifically indicate that a student must have graduated from high school, as this is a general Title IV requirement. Should this requirement be re-stated in the ACG regulations? If so, how should the requirement that an institution document the successful completion of a rigorous secondary school program of study be modified?

**Proposed Regulatory Language
Committee II –ACG/National SMART Grant
Issues**

Issue: Departmental monitoring of student disbursements

Regulatory Cite: None

Summary of Issue: Under section 401A(c)(3)(A), (B), and (C) of the HEA, a student's eligibility for the ACG and National Smart Grant programs is for one grant for each of his or her first, second, third, or fourth academic years of enrollment in an eligible program. A student may complete an academic year without qualifying for a portion or all of the ACG or National SMART Grant for that academic year. For example, a student attends for an academic year as a less-than-full-time student and, therefore, never receives a grant for that academic year. Should the regulations be amended by requiring the Secretary to provide information to participating institutions concerning a student's disbursements by academic year award?