Federal Pell Grant, Academic Competitiveness Grant, and National SMART Grant Programs Update

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Agenda

- Federal Pell Grant Update
- Pell/ACG/NSG Payment Calculations
- ACG and National SMART Grant Final Regulations
  - Academic Year Progression
  - Grade Point Average (GPA)
  - Prior Enrollment
  - Successful Completion: Rigorous Secondary Programs
  - Recognition of Rigorous Secondary Programs
  - Determination of Eligible Majors
  - Documenting Eligible Majors

Agenda cont'd.

- First Year Implementation Outcomes
- Legislation
  - Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)
  - Reauthorization of the Higher Education Act

Federal Pell Grant Update

Pell Grant

- College Cost Reduction and Access Act (CCRAA) enacted September 27, 2007
- Eliminated Federal Pell Grant “tuition sensitivity” as of July 1, 2007

Effective: July 1, 2007

Pell Grant

- Uses mandatory funds to increase the Pell Scheduled Award by
  - $ 490 for 2008-09 and 2009-10
  - $ 690 for 2010-11 and 2011-2012
  - $ 1,090 for 2012-14
- Increases applicable to students eligible based on the maximum award set in an appropriations act

Effective: 2008-2009 award year

Pell Grant

- For 2008-09
  - Maximum $4,731 ($4,241 + $490)
  - Minimum $890 ($400 + $490)
- Maximum eligible EFC is 4041
- Mandatory funds do not increase the number of eligible students

Effective: 2008-2009 award year

Pell/ACG/NSG Payment Calculations

Payment Calculations

- Revisions in General Provisions final regulations package – November 1, 2007
- Payment Period definition
- Programs eligible for Formula 1
- Payment calculations for Formulas 4 and, for Pell only, 5A
- Payment calculations the same for all three grant programs

Payment Calculations

- Added educational programs eligible for Formula 1
- Is no change for traditional calendar programs currently eligible to use Formula 1, i.e., programs with
  - Two semesters or trimesters, or three quarters, in fall through spring, and
  - At least 12 hours as full-time for all terms in award year

Case Study: Currently Eligible for Formula 1

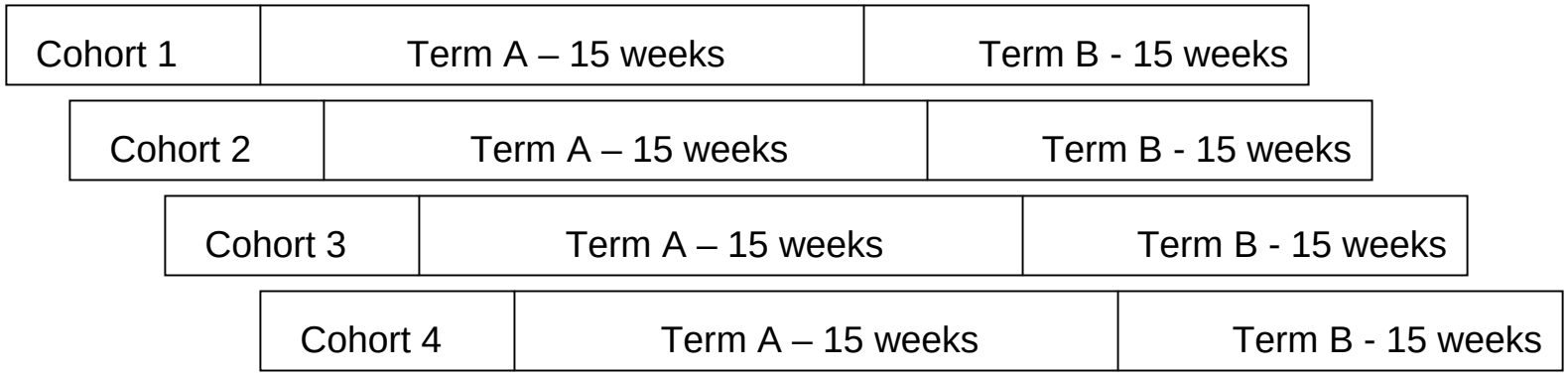
Fall Semester 16 weeks of i.t.	Spring Semester 15 weeks of i.t.	Summer 10 weeks of i.t.

- Traditional semester-based academic calendar where full-time is defined as at least 12 semester hours in all terms.
- Eligibility to use Formula 1 continues

Payment Calculations

- Adds programs eligible for Formula 1 where—
  - Any two semesters or trimesters, or three quarters is at least 30 weeks of i.t.;
  - Program starts in cohorts of students, e.g., monthly;
  - Program is offered exclusively in semesters, trimesters, or quarters; **and**
  - Student is not enrolled in overlapping terms

Case Study: Final Rules Eligible for Formula 1



- The program consists of semesters. A new cohort of students starts a new semester on the first workday of each month.

Payment Calculations

- Revised Formula 4 payment calculations (Formula 5A also)
- No change in programs that use Formula 4:
  - Credit-hour programs without terms
  - Clock-hour programs
- Lesser of two fractions based on the academic year measures

Payment Calculations

Formula 4

Scheduled Award * the lesser of—

$$\frac{\text{Hours in the payment period}}{\text{Hours in the academic year}}$$

OR

$$\frac{\text{*weeks in the payment period}}{\text{*weeks in the academic year}}$$

*Weeks of instructional time

Case Study 1: Payment Calculation

28 quarter hours
28 weeks of instructional time

- A non-term undergraduate certificate program with scheduled classes
- Academic calendar: 28 quarter hours over 28 weeks of instructional time
- Academic year: 36 quarter hours and 30 weeks of instructional time

Case Study 1: Payment Calculation

14 hours **14 weeks**	**14 hours** **14 weeks**

- Payment Periods: 14 quarter hours and 14 weeks of instructional time
- Formula 4 to calculate grant program payment for a payment period
- Student: Pell Scheduled Award of $4,000

Case Study 1: Payment Calculation

14 hours **14 weeks**	**14 hours** **14 weeks**

- Payment for each payment period

Step 1

Scheduled Award = $4,000

Step 2

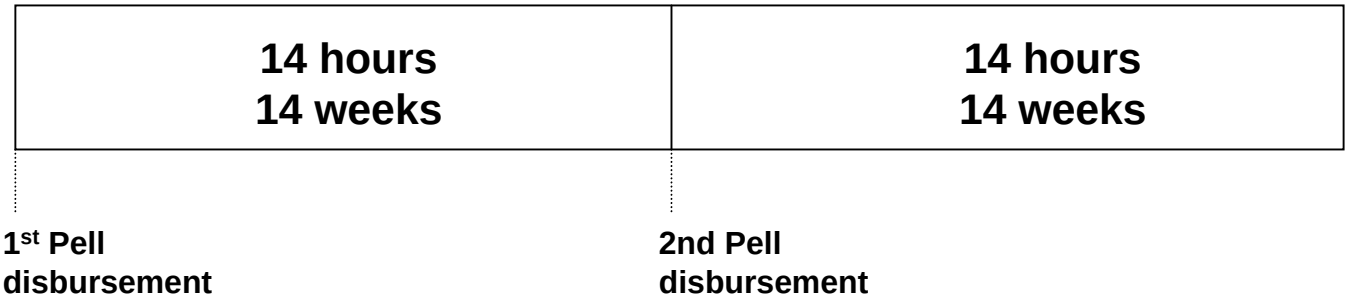
Lesser of—

$$\frac{14}{36} \times \$4{,}000 = \$1{,}555$$

OR

$$\frac{14}{30} \times \$4{,}000 = \$1{,}866$$

Case Study 1: Payment Calculation



- The student receives two Pell disbursements that total $3,110 out of a $4,000 Scheduled Award

Case Study 2: Payment Calculation

1200 clock hours
30 weeks of instructional time

- Non-term undergraduate certificate program with scheduled classes
- Academic calendar: 1200 clock hours over 30 weeks of instructional time
- Academic year: 900 clock hours and 26 weeks of instructional time

Case Study 2: Payment Calculation

450 clock hours 13 weeks	450 clock hours 13 weeks	300 clock hours 4 weeks

- Payment periods
  - 450 clock hours and 13 weeks of instructional time;
  - 450 clock hours and 13 weeks of instructional time; and
  - 300 clock hours and 4 weeks of instructional time

Case Study 2: Payment Calculation

450 clock hours 13 weeks	450 clock hours 13 weeks	300 clock hours 4 weeks

- Formula 4 to calculate grant program payment for a payment period
- Student: Pell Scheduled Award of $1,000

Case Study 2: Payment Calculation

450 clock hours 13 weeks	450 clock hours 13 weeks	300 clock hours 4 weeks

- First and second payment periods

Step 1

Scheduled Award = $1,000

Step 2

Lesser of—

$$\frac{450}{900} \times \$1{,}000 = \$500$$

OR

$$\frac{13}{26} \times \$1{,}000 = \$500$$

Case Study 2: Payment Calculation

450 clock hours 13 weeks	450 clock hours 13 weeks	300 clock hours 4 weeks

- Third payment period

Step 1

Scheduled Award = $1,000

Step 2

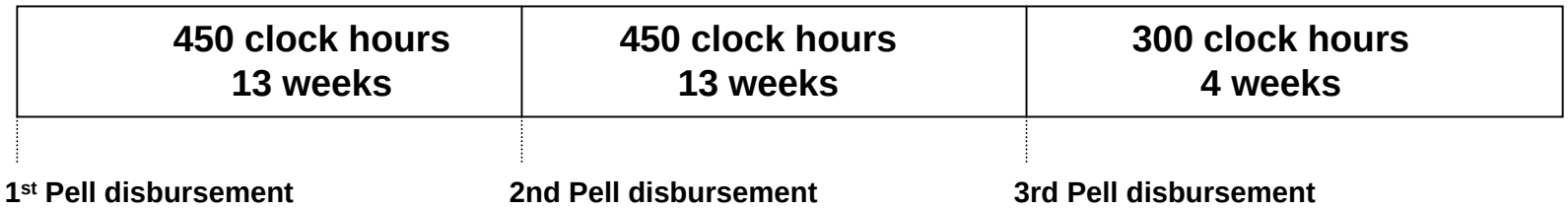
Lesser of—

$$\frac{300}{900} \times \$1{,}000 = \$333.33$$

OR

$$\frac{4}{26} \times \$1{,}000 = \$153.85$$

Case Study 2: Payment Calculation



- Student receives—
  - $1,000 for the first two payment periods
  - $0 for the third payment period; or, if the third payment period is in a new award year, $153.85 (assuming same Scheduled Award)

ACG and National SMART Grant Final Regulations

Final Regulations

- NPRM: August 7, 2007
- Final regulations: October 29, 2007
- Effective July 1, 2008

Academic Year Progression

Academic Year Progression - Basics

Award Eligibility

- A student's progression is based on the student's attendance in all ACG and national SMART Grant eligible programs **only at the institution in which the student is currently enrolled**

Final §691.6(a), (b), and (c)

Academic Year Progression - Basics

Award Eligibility

- A student may not receive more than two ACG Scheduled Awards and two National SMART Grant Scheduled Awards **during the student's undergraduate education**

Final §691.6(a), (b), and (c)

Academic Year Progression – Basics Exact Accounting

- As with a student's credit or clock hours, must determine a student's progression in the weeks of instructional time of an academic year through an exact accounting of those weeks of instructional time
- Are some exceptions
- Is in line with current regulations, but are changes to exceptions

Final §691.6(e)(1)

Academic Year Progression – Basics Transfer Students

- The institution to which the student transferred **must** count both:
  - The credit or clock hours earned by the student at the prior institutions that are accepted for the student's ACG or National SMART Grant eligible program, and
  - An estimated number of weeks of instructional time completed by the student

Final §691.6(d)(3)

Academic Year Progression – Basics Transfer Students

- To determine weeks of instructional time, must use specified formula:

$$\frac{\text{(hours accepted * weeks of i.t. in ac. year)}}{\text{hours in ac. year}}$$

- Subject to prohibition under §691.6(d)(2) for hours without weeks

Alternative Methods

- Three alternative methods for determining the weeks of instructional time and that assure general compliance with the academic year progression requirements
- Replacement of current §691.6(d) on treatment of summer terms
- Also replacement to transitional guidance in GEN 06-18

Final §691.6(e), (f), (g), and (h)

Alternative Methods

- Only eligible programs that use Formula 1 or 2 to calculate payments (generally programs with traditional academic calendars)
- Eligible programs that use Formulas 3 or 4: must always do an exact accounting

Final §691.6(e), (f), (g), and (h)

Alternative Methods

- Terms-attended: count weeks of instructional time based on the number of terms the student has attended
- Credits-earned: attribute weeks of instructional time to the credit hours earned by the student
- Grade-level: use the student's grade level as a basis for determining weeks of instructional time completed

Final §691.6(e), (f), (g), and (h)

Alternative Methods Exclusions

- Is applicable to the credits-earned and grade-level alternatives
- In determining weeks of instructional time, must exclude consideration of hours subject to §691.6(d)(2)

Final §691.6(g) and (h)

Alternative Methods Applicability

- An alternative method of determining weeks of instructional time applies to all students enrolled in the eligible program

Final §691.6(e)(2)(ii)

Alternative Methods
Exact Accounting

- Upon a student's request, an institution must provide an exact accounting of the student's academic year progression in all eligible programs at that institution including any qualifying credit hours accepted on transfer in an ACG or National SMART Grant eligible program
- An institution may initiate an exact accounting for a student

Final §691.6(e)(2)(iii)

Alternative Methods
Exact Accounting

- After an exact accounting, an institution may not use any of the alternative methods in §691.6(f), (g), and (h) for determining that student's academic year standing

Final §691.6(e)(3)

Hours without Weeks

- No weeks of instructional time for hours in a student's eligible program from:
  - Hours from AP and IB, testing out, life experience, or similar competency measures
  - Hours earned while not enrolled as a regular student in an ACG or National SMART Grant eligible program
  - Hours for coursework that is not at the postsecondary level, such as remedial coursework

  Final §691.6(d)(2)

Hours without Weeks

- Prohibition on weeks of instructional time for credit or clock hours applies to:
  - Exact accounting
  - Transfer credits; and
  - Credits-earned and grade-level alternatives.
- While hours count toward the academic year progression, no weeks of instructional time are associated with these hours

Final §691.6(d)(2)

Hours without Weeks

- An institution must assign weeks of instructional time to determine National SMART Grant eligibility for periods in which a student was enrolled in an ACG eligible program prior to declaring, or certifying his or her intent to declare, a National SMART Grant eligible major

Final §691.6(d)(2)

Determining Academic Year Progression ACG/NSG Final Regulations*				
Payment Formula Used for Eligible Program	Academic Year Based on Actual Weeks of Instructional Time and Hours at Institution	May use Alternatives for Weeks of Instructional Time	Must Assume Weeks Based on Accepted Hours for Transfer Students	Must Perform an Exact Accounting if Student Requests for Attendance at institution
Formula 1 or 2	YES	YES	YES	YES
Formula 3, but eligible to use Formula 1	YES	NO	YES	N/A
Formulas 2, 3, and 4	YES	NO	YES	N/A

*Red underlined highlights are changes from current regulations and DCL GEN-06-18

Grade Point Average

GPA: Numeric Equivalent

- Have a GPA of at least 3.0 on a 4.0 scale, **or numeric equivalent**
- Does not mean institution can determine its own equivalency on a grading scale or simply use an equivalent measure

Final §691.15(b)(1)(iii)(D) and (c)(3)

GPA: Numeric Equivalent

- If using alternatives to standard numeric grading, institutions must develop and apply an academically defensible equivalency policy.
- Equivalency policy must be:
  - In writing;
  - Available to students upon request; and
  - Consistent with an institutions other standards – academic and Title IV

Final §691.15(g)

GPA: Numeric Equivalent

- The policy must include clear differentiations of student performance to support a determination of performance at a level commensurate with at least a 3.0 GPA on a 4.0 scale

Final §691.15(g)

GPA: ACG - Transfers

- For a student who transfers hours of at least one academic year but less than two, institution which the student transfers must calculate GPA using grades for courses accepted from any prior institution toward student's ACG-eligible program

Final §691.15(f)(1)(i)

GPA: ACG - Transfers

- For a student **who transfers in hours comprising less than one academic year**, the institution uses grades for **all coursework accepted by the current institution into the eligible program and grades for coursework earned at the current institution**

Final §691.15(f)(1)(i)

GPA: National SMART Grant Transfers

- Use one of two methods:
  - **Method #1: transfer grades not incorporated**
  - **Method #2: transfer grades incorporated**

Final §691.15(f)(1)(i) and (ii)

GPA: National SMART Grant Transfers

Method 1 - GPA

- For 1st payment period, use grades earned in courses accepted into National SMART Grant eligible program if academic policy does **not** incorporate grades from courses accepted
- For subsequent payment periods, use institutional policy

Final §691.15(f)(2)(i)

GPA: National SMART Grant Transfers

Method 2 - GPA

- For 1st payment period, use grades earned in courses accepted into National SMART Grant eligible program if academic policy incorporates grades from courses accepted
- For subsequent payment periods, use institutional policy that includes grades for transfer courses

Final §691.15(f)(2)(ii)

Prior Enrollment

Prior Enrollment

While in high school:

- Is not eligible if enrolled as a “regular student” in an ACG-eligible program **while at or below the age of compulsory attendance**
- May be eligible if not enrolled as a “regular student” in an ACG-eligible program

Final §691.15(b)(1)(ii)(C)

Successful Completion of a Rigorous Secondary School Program of Study

Successful Completion of a Rigorous Program

High School Diploma

- In addition to completing a rigorous program, a student must receive a high school diploma, or for a home-schooled student, a certification of completion of a secondary education provided by the student's parent or guardian

Final §691.15(b)(1)(ii)(A)

Final §691.15(b)(1)(iii)(A)

Successful Completion of a Rigorous Program

Documentation

- Must document a student's successful completion of a rigorous program **and** receipt of a high school diploma or certification of home-schooling completion

Final §691.15(b)(2)(i)

Successful Completion of a Rigorous Program

Cognizant Authority

Includes but is not limited to:

- An LEA
- An SEA or other State agency
- A public or private high school
- A testing organization such as the College Board or State agency
- Parent if student is home-schooled

Successful Completion of a Rigorous Program

Self-certification

- Institution must attempt to document a student's successful completion of a rigorous secondary school program of study in the case of any student who:
  1. Self-certifies on the FAFSA
  2. Otherwise self-identifies to the institution

Final §691.15(b)(5)(i)

Successful Completion of a Rigorous Program

Self-certification

- If a student does not self-certify completion of a rigorous program on the FAFSA or otherwise, the institution is not required to determine the student's ACG eligibility, notwithstanding 34 CFR 668.16(f)

Final §691.15(b)(5)(ii)

Rigorous Secondary School Program of Study

Recognition of a Rigorous Program

Currently Designated Programs

State-designated programs:

- State-submitted program
- An advanced or honors program established by a State and in existence for the 2004-2005 school year or 2005-2006 school year and beyond
- State Scholars Initiative

SSI States

Arizona
Arkansas
Connecticut
Indiana
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Mississippi
Missouri
Nebraska
New Hampshire
New Jersey
New Mexico
Oklahoma
Rhode Island
South Dakota
Tennessee
Utah
Virginia
Washington
West Virginia
Wyoming

Recognition of a Rigorous Program

Currently Designated Programs

- Completion of at least 2 Advanced Placement (AP) courses with a passing test score of 3 for those courses or 2 International Baccalaureate (IB) courses with a passing test score of 4 for those courses
- A set of courses as outlined in the regulations

Recognition of a Rigorous Program

Currently Designated Programs

The recognized set of courses consists of:

- 4 years of English
- 3 years of mathematics, 2 of which must be Algebra 1 and above
- 3 years of science, 2 of which must be one each of biology, chemistry, or physics
- 3 years of social studies
- 1 year of a language other than English

Recognition of a Rigorous Program

Currently Designated Programs

The Secretary publishes a list of rigorous programs of study that she recognizes:

http://www.ed.gov/about/offices/list/ope/ac-smart.html

Contains links to recognized rigorous programs by year of student graduation for each state

Recognition of a Rigorous Program

Multi-year Recognition

- SEAs and LEAs may request recognition of rigorous secondary school programs of study for school years beyond the immediate next school year

Final §691.16(b)(2)

Recognition of a Rigorous Program

State Advanced and Honors Programs

- The Secretary continues recognition of advanced or honors secondary school programs of study for school years subsequent to the 2005-2006 school year

Final §691.16(d)(1)

Eligible Majors

Determination of Eligible Majors

New Process

- New process added for institutions to request that additional majors be added to the list of SMART-eligible majors
- Proposed additional eligible major would be identified by its Classification of Instructional Programs (CIP) code

Final §691.17(d) and §691.2(d)

Determination of Eligible Majors

New Process

Requests for designation of an additional eligible major must include:

- The CIP code and program title of the additional major
- The reason or reasons the institution believes the additional major should be considered
- Documentation showing that the institution has actually awarded or plans to award a bachelor's degree in the requested major

Determination of Eligible Majors

CIP Code Definition

- Adds a definition of CIP code as it pertains to the National SMART Grant Program to §691.2(d):

  A taxonomy of instructional program classifications and descriptions developed by the U.S. Department of Education's National Center for Education Statistics

Determination of Eligible Majors

Dear Colleague Letter GEN-07-06

- Published September 2007
- Provides an updated list of eligible majors for the 2007-2008 award year
- Does not remove any eligible majors; only adds new eligible majors

Determination of Eligible Majors

Additional fields of study (DCL GEN-07-06):

- 01.1001 Food Science
- 01.1002 Food Technology and Processing
- 03.0104 Environmental Science
- 03.0301 Fishing and Fisheries Science and Management
- 03.0502 Forest Sciences and Biology
- 03.0509 Wood Science and Wood Products/Pulp and Paper Technology
- 03.0601 Wildlife and Wildlands Science and Management
- 30.1001 Biopsychology
- 30.1901 Nutrition Sciences
- 42.1101 Physiological Psychology/Psychobiology

Determination of Eligible Majors

Dear Colleague Letter GEN-08-02

- Published February 6, 2008
- Explained the process by which institutions could request additional majors to be included on the list of SMART-eligible majors for 2008-2009
- Due date was February 29, 2008

Determination of Eligible Majors

Dear Colleague Letter GEN-08-09

- Published June 20, 2008
- 33 requests, 26 unique
- No new majors added for the 2008-2009 award year

Documenting Major

- The final regulations clarify how an institutions must document both:
  1. A student's eligible major
  2. Progress in the eligible program and major

Final §691.15(d)(1)

Final §691.15(e)

Documenting Major

- An institution must maintain documentation of the declared major, or in the case of a student's intent to declare a major, a written declaration of intent provided by the student timely enough for the institution to determine that it still correctly reflects the student's stated intent

Final §691.15(d)(1)

Final §691.15(e)

Documenting Major

- The final regulations require written documentation showing that the student is completing coursework at an appropriate pace in the student's declared eligible major or intended eligible major

Final §691.15(d)(1)

Final §691.15(e)

Documenting Major

DCL GEN-07-07 October 9, 2007

- Student must be enrolled in at least one course that meets the specific requirements of the student's National SMART Grant-eligible major to receive a National SMART Grant for the payment period

Documenting Major

DCL GEN-07-07

Implementation

- The remainder of the 2007-2008 award year except through the fall payment period for:
  - Students already packaged and disbursed; or
  - Students already packaged
- The 2008-2009 award year and beyond
- No changes for the 2006-2007 award year

First Year Implementation Outcomes

Nationally

ACG:

- $233,038,410 awarded to 299,089 students

National SMART Grants:

- $195,544,735 awarded to 60,976 students

ACG: Top Five Institutions

1. Pennsylvania State University (4,128)
2. University of California – Davis (1,926)
3. University of Texas – Austin (1,718)
4. University of California – Los Angeles (1,686)
5. Ohio State University (1,620)

National SMART Grants: Top Five Institutions

1. Brigham Young University (1,584)
2. University of Phoenix (1,326)
3. University of California – San Diego (921)
4. DeVry University (789)
5. Pennsylvania State University (715)

Top National SMART Grant Majors

1. Biological and Biomedical Sciences
2. Engineering
3. Computer Science

Top Foreign Language Majors

1. Russian
2. Japanese
3. Chinese

“Best Practices”

- Discuss the ACG and National SMART Grant Programs in State, local, and school-level outreach
- Reach out to all potential eligibles, not just students who self-identify
- Advocate for low-income students’ access to rigorous, college preparatory classes and pursuit of high-demand majors

The Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)

ECASLA

- Signed by the President on May 7, 2008 (Pub. Law 110-227)
- Makes changes to the ACG and National SMART Grant Programs that are **effective January 1, 2009**

DCL GEN-08-08

- Published June 19, 2008
- Describes ECASLA changes to ACG/National SMART Grants
- Notes that ECASLA changes may be revisited

Changes to ACG and National SMART Grant Programs

- Eliminates the restriction to U.S. citizens
- Stipulates that students can be enrolled less than full-time but must be enrolled at least half-time
- Proportionally reduces maximum awards the same way Pell does for part-time students
- Requires grant awards and payments to be determined on the same basis as Pell
- Provides that awards are based on student's grade level instead of academic year

ACG Program Changes

- First-year ACG
  - Limits Secretary's role in recognizing rigorous secondary school programs of study for a 1st-year ACG
  - Student must complete a rigorous program that prepares students for college and is recognized as such by a designated State official, or for a private or home school, by the school official designated for such recognition, consistent with State law
    - Programs are reported to the Secretary

ACG Program Changes

- First-year ACG cont.
  - Authorizes a 1st-year ACG to a student enrolled in at least a 1-year certificate program if the student is attending a 2- or 4-year degree granting institution
  - Stipulates that a student cannot have been previously enrolled in a program of undergraduate education except as part of a secondary school program of study

ACG Program Changes

- Second-year ACG
  - Authorizes a 2nd-year ACG to a student enrolled in at least a 2-year certificate program if the student is attending a 2- or 4-year degree granting institution
  - Does not make changes to rigorous secondary school programs of study

National SMART Grant Program Changes

- Authorizes 3rd- and 4th-year grants to students at institutions that offer a single liberal arts curriculum leading to a baccalaureate degree but at which students are not allowed to declare a major in a particular subject area by the institution. Students must:
  - Take coursework certified to be at least equal to the requirements for a SMART-eligible major at another institution that offers a baccalaureate degree in that SMART-eligible major
  - Obtain a 3.0 cumulative GPA

National SMART Grant Program Changes

- OR, alternatively, students could enroll in a liberal arts degree program that:
  - Was offered prior to February 8, 2006
  - Includes a rigorous course of study in mathematics, biology, chemistry, and physics, including at least 4 years of study in mathematics and 3 years of study in the sciences with a laboratory component in each of those years

National SMART Grant Program Changes

- OR, alternatively, a student could obtain a 5th year grant if the student:
  - Enrolls in the 5th year of a SMART-eligible program certified by an appropriate institutional official to require 5 full years of coursework to complete
  - Maintains a 3.0 cumulative GPA

Reauthorization

?

Questions?

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