
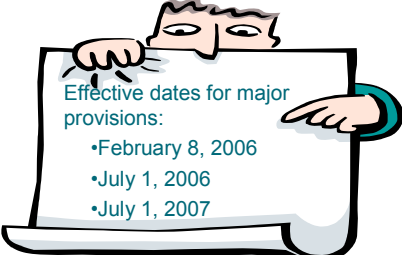


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**HERA**

Law Enacted February 8, 2006




Effective dates for major provisions:

- February 8, 2006
- July 1, 2006
- July 1, 2007



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**Rules and Regulations**

- Interim final regulations were published on July 3, 2006
  - Invitation to comment through August 17, 2006 for possible changes for 2007-2008
- Negotiated rulemaking, to begin in fall 2006, will apply to award years 2008-2009 and beyond.
  - Watch IFAP for announcements

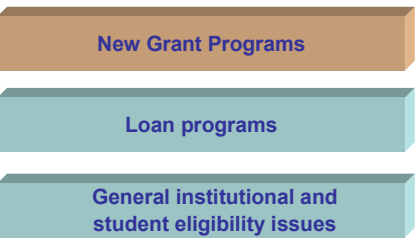


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3

**HERA**


Areas impacted by change:




**New Grant Programs**

**Loan programs**

**General institutional and student eligibility issues**



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## HERA

Created two new grant programs:

- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent Grant (National SMART)



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## Topics

- Two new grant programs
  - Academic Competitiveness Grant (ACG)
  - National Science and Mathematics Access to Retain Talent Grant (National SMART)
- Student eligibility and identification
- Academic year
- Awarding and disbursing
- COD Reporting



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## Institutional Participation

### ACG & National SMART Grant

- All schools that participate in Pell and offer an eligible educational program must participate in ACG and National SMART
- No new Program Participation Agreement (PPA)
- No Administrative Cost Allowance (ACA)



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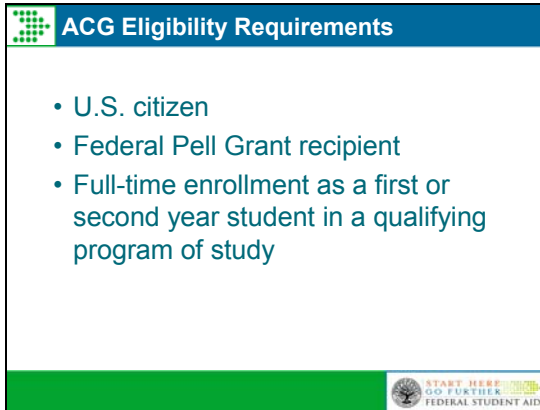
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**ACG Eligibility Requirements**

- U.S. citizen
- Federal Pell Grant recipient
- Full-time enrollment as a first or second year student in a qualifying program of study

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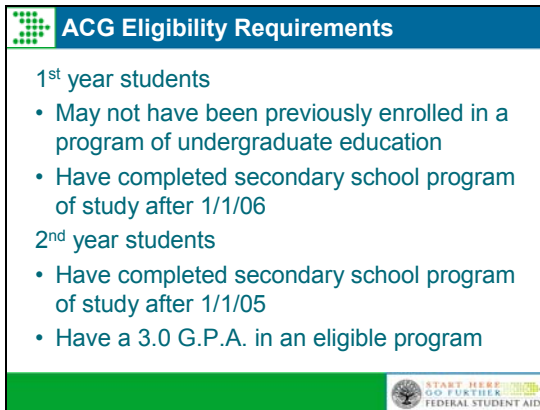
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**ACG Eligibility Requirements**

1<sup>st</sup> year students

- May not have been previously enrolled in a program of undergraduate education
- Have completed secondary school program of study after 1/1/06

2<sup>nd</sup> year students

- Have completed secondary school program of study after 1/1/05
- Have a 3.0 G.P.A. in an eligible program

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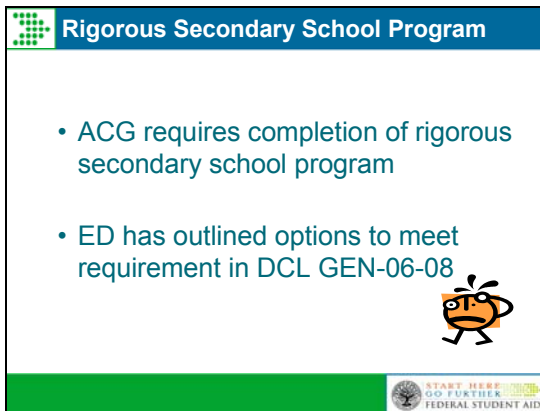
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**Rigorous Secondary School Program**

- ACG requires completion of rigorous secondary school program
- ED has outlined options to meet requirement in DCL GEN-06-08

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**Four Alternative Rigorous Options**

1. State Designated Program
2. An advanced or honors secondary school program established by a state and in existence for the 04-05 or 05-06 school year
3. State Scholars Initiative

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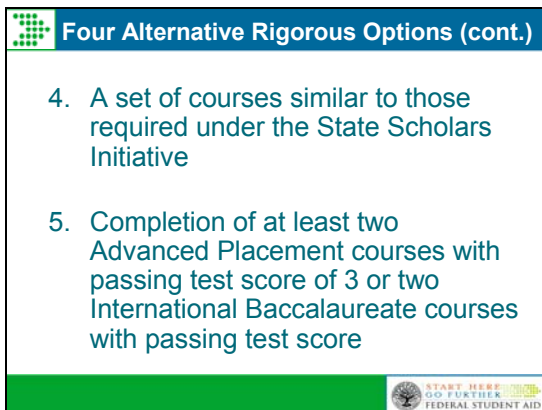
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**Four Alternative Rigorous Options (cont.)**

4. A set of courses similar to those required under the State Scholars Initiative
5. Completion of at least two Advanced Placement courses with passing test score of 3 or two International Baccalaureate courses with passing test score

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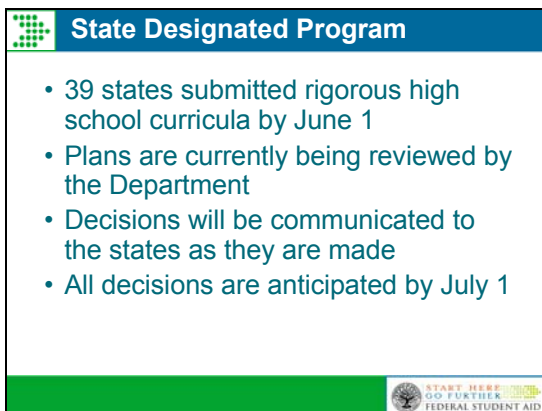
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**State Designated Program**

- 39 states submitted rigorous high school curricula by June 1
- Plans are currently being reviewed by the Department
- Decisions will be communicated to the states as they are made
- All decisions are anticipated by July 1

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**Courses Similar to State Scholars Initiative**

Secondary school courses must include:

- 4 years of English
- 3 years of math
- 3 years of science
- 3 years of social studies
- 1 year of a foreign language



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**ACG Identification**

- Department will notify potential recipients via e-mail/letter in July 2006 with instructions on how to self-identify
- CPS will send schools a special flat file and individual ISIR's

**Comment Codes: #267, #268 #269 #270 and #271**

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**FAFSA**  
2006-2007

Need help with this page?

**ACG Eligibility**

The Academic Competitiveness Grant (ACG) is a new student aid grant program recently created by changes in Federal law. To be eligible for this grant a student must:

- Be a U.S. citizen
- Be eligible for a Federal Pell Grant
- Be a first or second year undergraduate student
- Have completed a rigorous high school program of study after January 1, 2005
- Be enrolled full-time in a two or four year degree program

Complete the following questions and select **Next**.

**ACG Eligibility Data**

The student's Social Security Number: Please enter this number without the dashes. For example, 123456789.	<input type="text"/>
The student's full last name:	<input type="text"/>
The student's first name:	<input type="text"/>
The student's Date of Birth: Please enter this date in "mm/dd/yyyy" format. For example, 08/17/95 for August 17, 1995.	<input type="text"/>
The student's PIN: Please enter your PIN now to sign your application electronically. I forgot/don't know my PIN.	<input type="text"/>

Need help with this page?

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**FAFSA 2006-2007**

Need help with this page?

**ACG Eligibility Data**

Select the rigorous high school program of study that the student completed:

Check one or both (if they apply to the student):

**Student's Eligible AP/IB Exam Scores:**

The student completed two or more Advanced Placement (AP) courses and earned 3 or better on at least two AP exams for the courses completed.

**Student's Eligible High School Coursework:**

The student completed and passed all of the following high school courses:

- Four years of English
- Three years of math (including Algebra I and a higher level math class such as Algebra II, Geometry, or Data Analysis and Statistics)
- Three years of social studies
- Three years of science (including at least one year each of two of the following: Biology, Chemistry, or Physics)
- One year of a foreign language other than English

Be sure to submit this information. We will send this information to the colleges currently listed on the student's FAFSA. The student will also receive a Student Aid Report (SAR).

The financial aid administrator at the student's college will determine if he or she is eligible for an ACG. All follow-up information will come from the financial aid office at the student's college.

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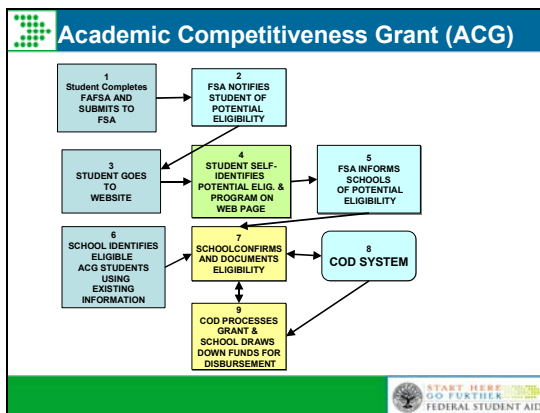
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### Analyzing Rigorous High School Credentials

- An institution is required to verify eligibility against any one of the standards
- An institution can use which ever standard is most efficient
  - This includes reviewing the courses approved by the Secretary which are similar to the State Scholar's Initiative



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**ACG Identification Process**

- Schools ***must*** determine eligibility for students who self-identify
- Schools are also able to identify students based upon their own records



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**Home Schooled and Transfer Students**

- **Home schooled students**
  - Parent / guardian provides documentation of completion
- **Transfer Students**
  - Institution may rely on prior school's determination that student completed a rigorous secondary school program. NSLDS information showing previous disbursement is sufficient documentation.



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**ACG Award Amounts**


**First Year Students:**

Maximum of \$750.00 per year

**Second year students:**

Maximum of \$1,300 per year

Additional requirement to have first year cumulative GPA of at least 3.0



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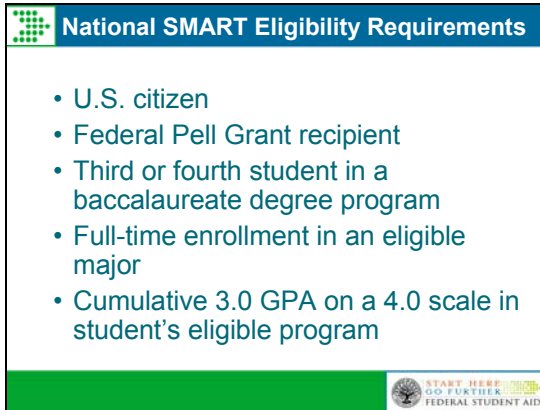
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**National SMART Eligibility Requirements**

- U.S. citizen
- Federal Pell Grant recipient
- Third or fourth student in a baccalaureate degree program
- Full-time enrollment in an eligible major
- Cumulative 3.0 GPA on a 4.0 scale in student's eligible program

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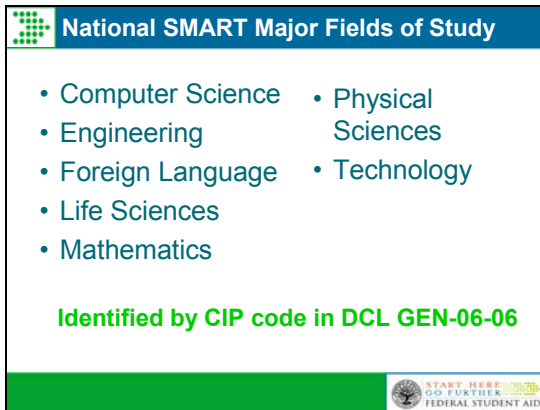
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**National SMART Major Fields of Study**

- Computer Science
- Engineering
- Foreign Language
- Life Sciences
- Mathematics
- Physical Sciences
- Technology

Identified by CIP code in DCL GEN-06-06

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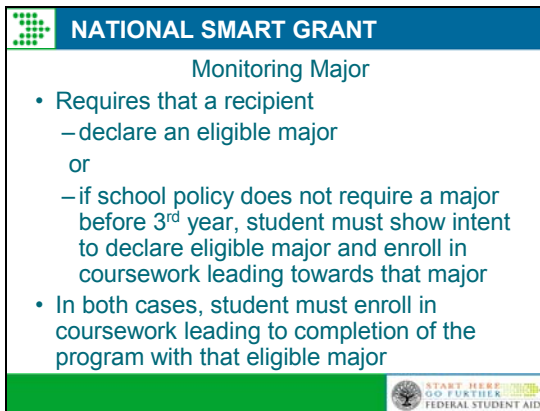
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**NATIONAL SMART GRANT**

Monitoring Major

- Requires that a recipient
  - declare an eligible major
  - or
  - if school policy does not require a major before 3<sup>rd</sup> year, student must show intent to declare eligible major and enroll in coursework leading towards that major
- In both cases, student must enroll in coursework leading to completion of the program with that eligible major

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 **NATIONAL SMART GRANT**

Monitoring Major

- If student changes to an eligible major within a payment period
  - Can be paid for the entire payment period
  - Cannot be paid for prior payment periods
- If student changes to an ineligible major
  - No more National SMART Grant disbursements
  - Prior National SMART Grant disbursements need not be repaid

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 **National Smart Grant Scenario**

Barry Bright completes his third academic year of undergraduate study without receiving a National SMART Grant. He subsequently enrolls in a bachelor's degree program as an otherwise eligible third academic year student.

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**Is he eligible for a third academic year National SMART Grant?**

- Yes
- No

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 **National SMART Grant Award Amount**

- \$4,000 per academic year in third and fourth academic years in an eligible program



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 **National SMART Grant Recipient Identification**

- Schools must review records to identify all eligible students
  - ISIR for Pell eligibility and citizenship
  - Academic records for eligible major, full-time enrollment status, and G.P.A.



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 **Follow Pell Recalculation Policy**

- Schools must use their Pell recalculation policy to determine enrollment status for ACG and National SMART
  - If you use “census date” for Pell enrollment status, use for ACG and National SMART



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### Duration of Student Eligibility

- For ACG, students are restricted to one grant for each of the student's first and second academic years in an eligible program
- For National SMART Grant, students are restricted to one grant for each of the student's third and fourth academic years in an eligible program



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### Academic Year In College

- For *both* programs, schools must use their Title IV academic year definition of the program of study in which the student is enrolled to determine the student's academic year in the program
  - Minimum of 24 semester/trimester credit hours or 36 quarter credit hours



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### Academic Year In College

- School may define its Title IV academic year as more than 24 credit hour
- If a semester/trimester/quarter school defines full-time in summer term as 12 credits, increasing the academic year definition has no impact
  - on using 12 credits as full-time for Pell
  - on using 6 credits as half-time for FFEL/DL



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 **Academic Year – ACG Example**

- Institution defines Title IV academic year as 24 credit hours, but grade level progression requires 30 credits
- First year ACG recipient completes
  - 12 semester hours in fall term
  - 12 semester hours in spring term
- Student now eligible for second year ACG award but is still a “freshman” and at first year annual loan limit



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 **Academic Year – ACG Example**

- Institution defines Title IV academic year as 30 credit hours and grade level progression requires 30 credits
- First year ACG recipient completes
  - 12 semester hours in fall term
  - 12 semester hours in spring term
- Student not yet eligible for second year ACG award because 30 credits required for completion of first academic. Student is still a freshman and at first year annual loan limit



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 **Academic Year – National SMART Example**

- Institution defines Title IV academic year as 24 credit hours, but grade level progression requires 30 credits
- An otherwise eligible student has completed a total of 48 semester credits in an eligible program
- Student is now eligible for a third year National SMART Grant, but is still a “sophomore” and at second year annual loan limits



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 **Academic Year – National SMART Example**

- Institution defines Title IV academic year as 30 credit hours and grade level progression requires 30 credits
- An otherwise eligible student has completed a total of 48 semester credits in an eligible program
- Student not yet eligible for a National SMART Grant award and must still borrow at second year annual loan limits.

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 **Academic Year and Summer**

- Program offered in semesters or trimesters w/ single summer term (12 semester or trimester hours must be offered in the term)
  - Summer is treated as 1/2 an academic year
  - Summer is treated as 1/3 of an academic year if award will be distributed over more than two terms

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 **Academic Year and Summer**

- Program offered in quarters w/ single summer term (12 quarter hours must be offered in the term)
  - Summer is treated as 1/3 of an academic Year
  - Summer is treated as 1/4 of an academic year if award will be distributed over more than three terms

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 **Calculating Grant Amount For A Payment Period**

- ACG/SMART are awarded across an academic year
  - Calculation of disbursement for each payment period follows corresponding Pell Grant regulations

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 **Example**

School offers a program in standard terms using semesters of 15 weeks in length. Student is full-time.

- $\$4,000 \times 15 \text{ weeks in term} / 30 \text{ weeks in academic year} = \$2,000$  in each of the two terms

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 **Example**

School offers a program in 8 week non-standard terms. The academic year is 32 weeks in length. Student is full-time.

- $\$4,000 \times 8 \text{ weeks in term} / 32 \text{ weeks in academic year} = \$1,000$  per term in each of the four terms

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 **Question?**

**What If the Payment Period Applies To Two Academic Years?**

- Possibility of student completing coursework for one academic year and starting coursework for next academic year within the same payment period
  - Use Scheduled Award for academic year being completed



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 **Disbursements**

**ACG/National SMART Grant disbursements**

- Funds maintained and disbursed according to Title IV cash management regulations
- Funds will be disbursed on payment period basis
- If disbursement is during a cross-over payment period, Pell Grant and ACG/National SMART Grant must be assigned to same award year



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 **Payments From More Than One School**

- Student *may not* receive ACG or National SMART concurrently from more than one school
- ACG and National SMART *must be* received from same school from which Pell Grant is received



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 **Transfer Students**

- Determination of remaining eligibility similar to Pell Grant provisions for transfers except:
  - Transfer student must receive a Pell Grant in same payment period for which ACG/National SMART is received

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 **These Are Need-based Grants**

- Total of EFC and all estimated financial aid **cannot** exceed cost of attendance
- ACG and National SMART **may not** replace EFC in need equation
- **May** reduce ACG/National SMART award to eliminate an overaward

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 **Availability Of Funds**

- Schools receive initial authorizations in GAPS and COD begins sending Electronic Statements of Account to schools 7/29/06
- First draw downs from GAPS available first week of August 2006

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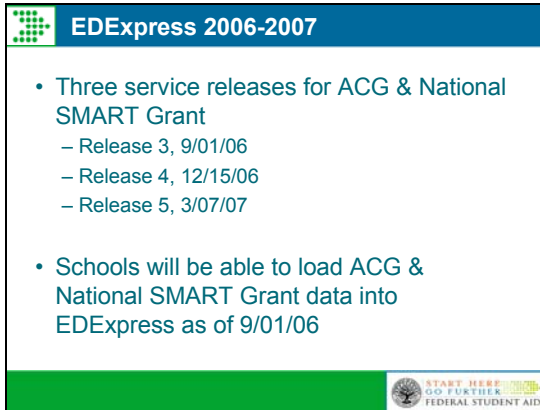
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**EDExpress 2006-2007**

- Three service releases for ACG & National SMART Grant
  - Release 3, 9/01/06
  - Release 4, 12/15/06
  - Release 5, 3/07/07
- Schools will be able to load ACG & National SMART Grant data into EDExpress as of 9/01/06

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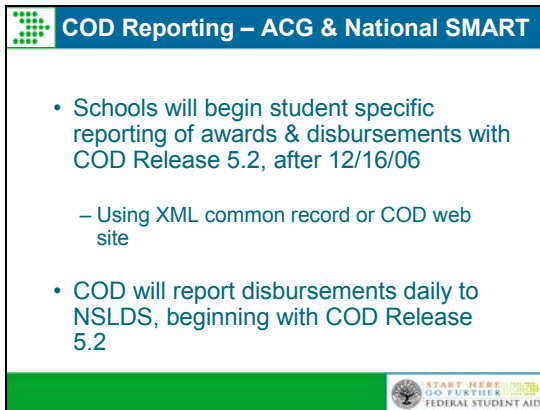
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**COD Reporting – ACG & National SMART**

- Schools will begin student specific reporting of awards & disbursements with COD Release 5.2, after 12/16/06
  - Using XML common record or COD web site
- COD will report disbursements daily to NSLDS, beginning with COD Release 5.2

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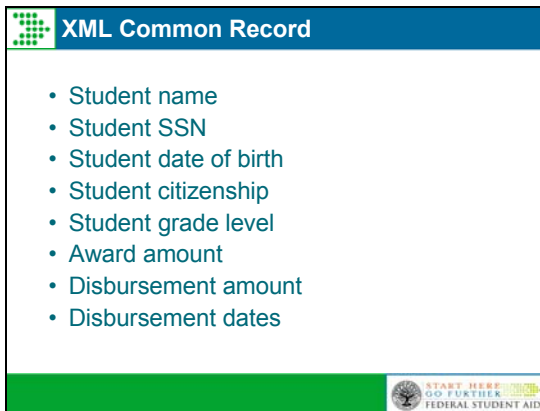
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**XML Common Record**

- Student name
- Student SSN
- Student date of birth
- Student citizenship
- Student grade level
- Award amount
- Disbursement amount
- Disbursement dates

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### XML Common Record

- For ACG
  - Eligibility/Payment reason
- For National SMART Grant
  - Major/CIP code

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Information for Financial Aid Professionals (IFAP) Library

SEARCH

Keyword Search:

Advanced Search

ABOUT THE SEARCH

IFAP VIEWS

- Current Publications
- Archived Publications
- Publications by Topic

SCHOOL PORTAL FEATURES

- ESA Headlines
- ESA Calendar
- FSA Conferences and Training

WORLDWIDE SERVICES

Electronic Announcements

Publications

- Quick Guidance
- Dear Bank Accounting/Recordkeeping Reporting for the Business Office

Tools for Schools

- Auto-Informing Federal Aid
- COG Computer Based Training
- Conference Presentations
- EE/ESEA Basics (NIST)
- FA Tools
- IFAP Web Based Training
- ESA Assessments
- ESA COG/COG Online Based Training
- IFAP Analysis Tool
- Loan/Grant/Work Study
- Video Resources

On-Line References

Higher Education Reconciliation Act of 2005 (HERA) Information

- Academic Appeals List and Criteria for Recipients
- Application Processing Materials
- Common Based Program Materials
- Common Origination & Disbursement (COG)
- Contract Plan Materials
- FFEL, General Assistance Status & Variable Interest Rates
- IFAP Community Service Resource Guide
- Insurance Information
- IFAP Publications Materials
- Post Grant IFAP/COG Program Materials
- Program Expense Guidelines
- SAVING Reference Materials

Law & Regulations

- Code of Federal Regulations (CFR) Compilation
- Federal Regulations
- Higher Education Act (H.E.A.) October 2002
- H.E.A. Amendments
- US Code (USC) Compilation

Webinars, Schedules, & Tables

- Dear Bank


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### Questions




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 Link to Evaluation Survey

<http://www.zoomerang.com/survey.zqi?p=WEB225CXC7ZSQ9>

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