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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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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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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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ACG Eligibility Requirements

1st 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

2nd 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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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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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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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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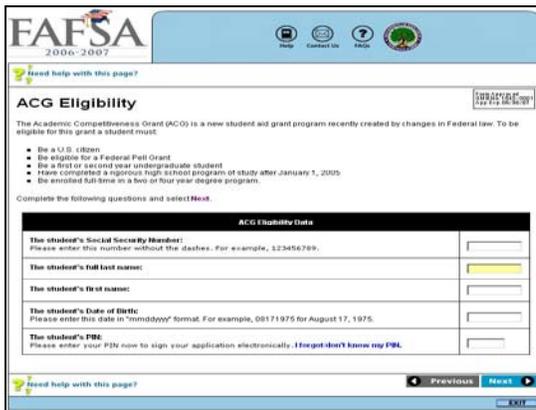
ACG Identification

- 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

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.

The student's full last name:

The student's first name:

The student's Date of Birth:
Please enter this date in "mm/dd/yyyy" format. For example, 08/17/1975.

The student's PIN:
Please enter your PIN now to sign your application electronically. I forgot that I have my PIN.

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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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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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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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NATIONAL SMART GRANT

Monitoring Major

- Requires that a recipient
 - declare an eligible major
 - or
 - if school policy does not require a major before 3rd 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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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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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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XML Common Record

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



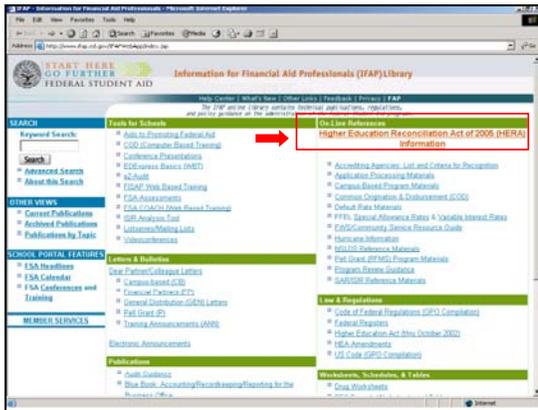
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XML Common Record

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



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Questions




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 **Link to Evaluation Survey**

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

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