

  
**Academic Competitiveness &  
National SMART Grants**  
**Higher Education Reconciliation Act of 2005**  
  
**AACRAO Webinar**  
**May 11, 2006**  
  
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- **Kay Jacks** *FSA General Manager for Application, School Eligibility and Delivery Services*
- **Susan O'Flaherty** *Deputy Director, FSA Application Processing*

  
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**Higher Education Reconciliation Act**  
**Deficit Reduction Act of 2005 (Public Law 109-171)**  

- Conference Report approved by House on December 19, 2005
- Conference Report approved by Senate on December 22, 2005 with slightly changes
- House approved Senate version on February 1, 2006
- President signed into law February 8, 2006

  
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**Higher Education Reconciliation Act**

**Creates Two New Grant Programs**

- Academic Competitiveness (ACG) Grant Program
- National “Science and Mathematics Access to Retain Talent” Grant (National SMART Grant) Program
- Funding for these programs is not subject to annual appropriations process:
  - 2006-07 -- \$790 million
  - 2007-08 -- \$850 million
  - 2008-09 -- \$920 million
  - 2009-10 -- \$960 million
  - 2010-11 -- \$1.01 billion

NOTE: Funds not spent in one year are carried over to subsequent years.

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**Higher Education Reconciliation Act**

**Creates Two New Grant Programs**

- Both ACG and SMART Require recipients to be:
  - Enrolled at a 2- or 4-year institution
  - Full-time
  - U.S. Citizens
    - NOTE: Eligible Non-Citizens are NOT eligible for ACG & SMART
  - Pell Grant Recipients
- Award amounts:
  - ACG -- 1<sup>st</sup> Year: \$750
  - ACG – 2<sup>nd</sup> Year: \$1,300
  - National SMART Grant: \$4,000 per year for up to 2 years

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**Two Grants: Institutional Impact**

- If participating in Pell, automatically eligible
- Current Program Participation Agreement (PPA) applies
- Institution is a 2 or 4-year degree granting institution
- Subject to annual compliance audit and all other reviews/inspections
- Institutional president agrees to administer the program

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 **Two New Grants: Institutional Impact**

- Requires close coordination with
  - Student Financial Aid Office
  - Registrar's Office
  - Admission's Offices
  - Academic Offices
  - Bursar's/Student Finance Offices

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 **ACG AND NATIONAL SMART GRANT**

Both ACG and SMART Treated Like FSEOG

- Total of EFC and all aid/resources cannot exceed COA
- Cannot replace EFC

Students must be eligible but amount of ACG/SMART grants not keyed to Pell index

Student must be in a 2 or 4-year program leading to an associates' or bachelor's degree

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 **Academic Competitiveness Grant (ACG)**

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**Academic Competitiveness Grant (ACG)**  
(Continued)

- Year 1:
  - Have completed a rigorous secondary school program of study after January 1, 2006
  - Not previously enrolled in a “program” of undergraduate education.
    - Taking a few classes is ok but not in a program to which the student is admitted.
  - Award is \$750
- Year 2:
  - Have completed a rigorous secondary school program of study after January 1, 2005
  - For second year students have at least a 3.0 GPA
  - Award is \$1300

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**ACG: Rigorous Secondary School Program of Study**

- Secretary issued guidance on May 2, 2006 that requested recommendations from States by June 1.
- 4 alternatives were identified:
  - 2 AP or IB courses in high school with a minimum passing score of 3 or 4 respectively;
  - State Scholars Initiatives requirements;
  - Set of courses similar to the State Scholars Initiative; and
  - 19 Named Advanced or Honors programs.

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**ACG: Rigorous Secondary School Program of Study**

- Existing Advanced or Honors
  - Alabama Advanced Academic Endorsement
  - Arkansas College Preparatory Core Curriculum
  - California Golden State Seal Merit Diploma
  - Delaware Distinguished Achievement Diploma
  - Georgia College Preparatory with Distinction Diploma
  - Indiana Academic Honors Diploma
  - Kentucky Commonwealth Diploma
  - Louisiana Academic Endorsement to the Standard Diploma
  - Massachusetts Certificate of Mastery
  - Missouri College Preparatory Studies Certificate
  - Nevada Advanced Diploma
  - New York Regents Diploma with Honors or Advanced Designation
  - Ohio Honors Diploma
  - Oklahoma Certificate of Distinction
  - Pennsylvania Certificate of Distinction
  - Texas Distinguished Achievement Diploma
  - Virginia Advanced Studies Diploma
  - Washington Scholar Designation
  - Wyoming Advanced Endorsement Diploma

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**ACG: Rigorous Secondary School Program of Study**

- Courses Similar to the State Scholars Initiative:
  - ✓ four years of English,
  - ✓ three years of Math (including Algebra I and a higher level course such as Algebra II, Geometry, or Data Analysis and Statistics),
  - ✓ three years of science (including at least two courses from biology, chemistry or physics),
  - ✓ three years of social studies, and one year of a foreign language.
- The program of study must be completed with passing grades.

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**ACG: Non traditional Programs of Study**

- Non traditional Programs of Study
  - Ineligible for consideration
    - GED
  - Eligible for consideration
    - Home School
    - Department of Defense
    - Bureau of Indian Affairs

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**ACG: Notification to Applicants**

On or about July 1, 2006

- Notification sent to 2006-2007 Federal Financial Aid applicants who appear to meet minimum requirements
  - U.S. Citizen
  - Pell Grant Eligible
  - Age under 20
- Notice will inform applicants of special website or alternative for providing additional information.
  - Applicants will be “walked” through the definition of “rigorous” and /or approved proxy.

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 **ACG Student Experience**

*Check all that apply.*

- The student completed two or more Advanced Placement (AP) courses and scored 3 or better on at least two AP exams or The student completed two or more International Baccalaureate (IB) courses and scored 4 or better on at least two IB exams.
- 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 2 of the following: Biology, Chemistry, or Physics)
  - One year of a foreign language

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 **ACG Institutional Role**

- Receive ACG applicant data on ISIR, **or**
- Identify eligible students from institutional records
- Confirm Pell recipient
- Confirm citizenship
- Confirm eligible degree program
- Confirm rigorous high school program
- Confirm GPA for the second year
- Confirm fulltime status

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 **National SMART Grant**

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**NATIONAL SMART GRANT**

- Third and fourth year students enrolled in a four-year degree program
- Have a cumulative GPA of at least 3.0 in the courses of study required for the major
- No linkage to high school program of study
- \$4,000 for each year
- Majoring in science, computer science, technology, math, or certain designated foreign languages
  - Majors will be listed on a website with CIP Code

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**Fields of Study**

- Major fields of study must be reported to COD expressed as CIP codes **xx.xxxx**
- See GEN-06-06

EXAMPLE  
Mathematics

27. MATHEMATICS AND STATISTICS

27.01 Mathematics

- 27.0101 Mathematics, General
- 27.0102 Algebra and Number Theory
- 27.0103 Analysis and Functional Analysis
- 27.0104 Geometry/Geometric Analysis
- 27.0105 Topology and Foundations
- 27.0199 Mathematics, Other

27.03 Applied Mathematics

- 27.0301 Applied Mathematics
- 27.0303 Computational Mathematics
- 27.0399 Applied Mathematics, Other


27.05 Statistics

- 27.0501 Statistics, General
- 27.0502 Mathematical Statistics and Probability (NEW)
- 27.0599 Statistics, Other

27.99 Mathematics and Statistics, Other

- 27.9999 Mathematics and Statistics, Other

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**SMART: Institutional Role**

Grade Point Average

- Cumulative GPA
  - ACG: Year 2 =3.0 monitored at first disbursement only
  - SMART: 3.0 in the major field of study monitored by term
- Transfer GPA = 3.00 cumulative GPA from the courses accepted from the transfer institution

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 **SMART Grant Institutional Role**

- Confirm Pell recipient
- Confirm citizenship
- Confirm eligible degree program
- Confirm academic major
- Confirm GPA in the major field of study
- Confirm fulltime status

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 **Reporting Student Grant Recipients**

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 **ACG AND NATIONAL SMART GRANT**

For both Programs Institution Submits to COD --

- Applicant identifiers – Name, SSN, DOB
- Award amounts, disbursement amounts, disbursement dates, etc

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**ACG AND NATIONAL SMART GRANT**


**For ACG Institutions Submit to COD:**

- Code for rigorous standards, or
- Code for rigorous program, if selected

**For National SMART GRANT Institutions Submit to COD:**

- Major/CIP Code

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**ACG AND NATIONAL SMART GRANT**

**Full Time**

- Follows Pell Rules = 12 semester hours
- Full Time on “census date”\*
- Drop below full time after census – student continues to qualify\*

\*unless the institution recalculates Pell throughout the semester

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**SMART Grant Institutional Role**


Options Being Considered for Year in School Definition

Option 1	Option 2*	Funding Levels
0-24	0 - 30	\$750
25-47	31	\$1300
48-71	61	\$4000
72-96	91	\$4000

–All dollar amounts are without ratable reductions  
 –Students can receive only 1 grant per year in school level

\*or school definition of class level for all other academic purposes

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**NATIONAL SMART GRANT**

**Monitoring Major**

- If school policy does not require a major before 3<sup>rd</sup> year – Student must show intent to declare major and enroll in courses work leading towards it
- If student changes to a major not approved for SMART before disbursement date each term, student losses grant
  - If after student can keep grant

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**Audit & Inspection of Records**

- ACG and SMART subject to all reviews governed by Title IV
- Academic information needs to be retained for record inspection
- Official college/university academic records must support reason code.

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**ACG/SMART:Funding & Reporting**

- Establish institutional-funding level based on Pell history (7/29/06)
- Institution's can draw funds from GAPS for eligible students (7/29/06)
  - Majority of funds likely to be drawn in October/November
- FSA begins monitoring GAPS "drawdowns" to institutional funding levels
- Institutions begin sending student level data to COD (12/16/06)
- Adjust funding levels based on records submitted
- Establish Spring funding levels based on records submitted

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 **Key Dates**

July 1


- Web Screen
- Notification to potential ACG students
- Results sent to school

July 29

- School receive funding level via Electronic Statement of Accounts (ESOA)
- Can begin to draw down funds for payments to eligible students

December 16

- Schools begin to send ACG/SMART Records to Federal Student Aid to substantiate drawdowns

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 **References**

- IFAP (Information for Financial Aid Professionals) contains link for all HERA related guidance. URL: [www.IFAP.ed.gov](http://www.IFAP.ed.gov)
- WICHE: Western Interstate Commission for Higher Education to obtain a list of State Scholars Incentive Programs. URL: [www.wiche.edu/statescholars/](http://www.wiche.edu/statescholars/)

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 **References, continued**

- List of approved rigorous programs: See "Dear Partner/Colleague Letter" on IFAP dated 5/3/06 "Additional Implementation Guidance" on IFAP; then select "Letter to the States"
- List of approved majors and CIP codes: See "Dear Partner/Colleague Letter" on IFAP dated 5/2/06
- Continue to watch IFAP to view Announcements on operational guidance

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## THANK YOU

- Contact us at:
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