


NASFAA Webinars: Final Rules Presented November 2007

National Association of Student
Financial Aid Administrators

NASFAA's Webinar Series
Final Rules:
The ACG and SMART Grant
Programs
November 15, 2007

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Introduction: NASFAA Staff

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Introduction: NASFAA Staff

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Effective Dates: Final Rules

- Effective July 1, 2008
- Early implementation
 - May be implemented early on or after November 1, 2007, in their entirety or by section (e.g., all of 691.6 or all of 691.15), but not by paragraph
 - Maintain documentation of any early implementation
 - Must continue early implementation once it's begun

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GPA: Numeric Equivalent

- Final rule: "...GPA of 3.0 or higher on a 4.0 scale, or the *numeric equivalent*.."
- Applies to programs, not individual courses
- If a program measures performance using alternatives to standard numeric grading procedures, must develop and apply an equivalency policy with numeric scale for ACG/SMART eligibility purposes

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GPA: Numeric Equivalent

Equivalency policy must:

- Be in writing
- Be available to students upon request
- Include clear differentiations of performance to support a determination of performance at a level commensurate with at least a 3.0 GPA on a 4.0 scale

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GPA: Numeric Equivalent

Grading policies including only nonnumeric assessments (e.g., satisfactory/unsatisfactory, pass/fail) are considered numeric equivalents only if:

- School demonstrates that the "pass" standard or a student's performance for tests and assignments has numeric equivalent of at least a 3.0 GPA on a 4.0 scale; and
- Policy is consistent with any other standards school may use for academic or other Title IV purposes

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GPA: Transfer students

For ACG:

- If school accepts at least 1 AY's worth of credits, but less than 2, calculate GPA using grades from all accepted coursework
- If school accepts less than 1 AY's worth of credits, calculate GPA using grades from all accepted coursework plus grades earned at current school through the payment period in which the student completes hours in first AY


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GPA: Transfer students

For SMART eligibility for first payment period, calculate GPA using 1 of 2 methods, depending on school's academic policy

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GPA: Transfer students

Method 1 - For schools that do not incorporate grades from accepted transfer coursework into GPA

- For 1st payment period only, include grades for all accepted transfer coursework in GPA
- For subsequent payment periods, do not include grades for accepted transfer coursework in GPA

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GPA: Transfer students

Method 2 - For schools that *do* incorporate grades from accepted transfer coursework into GPA

- For 1st payment period and all subsequent payment periods, include grades for all accepted transfer coursework in GPA

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Documenting Pursuit of Eligible Majors

Institutions must maintain documentation of:

- Declared or intended eligible major
- Students' completion of coursework for both the program and the eligible major at an appropriate pace


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Documenting Intent to Declare an Eligible Major

- Institutions must obtain and keep on file a recent self-certification of the student's intent to declare an eligible major
- The self-certification must be signed by the student

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Documenting Completion of Coursework for both Program and Eligible Major

Documentation of progression in major may include, but is not limited to:

- Written counselor or advisor tracking of coursework progress
- Written confirmation by academic department of coursework progress
- Other written documentation of coursework that satisfies ongoing nature of monitoring coursework progress

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Documenting Completion of Coursework for both Program and Eligible Major

- To be eligible to receive a SMART Grant, a student must enroll in at least one course that meets the specific requirements of the student's eligible major
- Effective for the remainder of 07-08 award year and beyond, except fall payment period for disbursements already made
- See GEN-07-07

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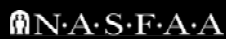


Documenting Completion of Coursework for both Program and Eligible Major

- ED doesn't specifically mandate the process by which the school must document progress in the eligible major
- Financial aid administrators are not required to directly perform these functions themselves

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Documenting Completion of Coursework for both Program and Eligible Major

- Proposed rules: documentation of progress in an eligible major must be collected at least annually
- Final rules: “At least annually” is removed
 - Consistent with the requirement that schools determine eligibility for each payment period


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Successful Completion of Rigorous Secondary School Program of Study

- To receive ACG, student must successfully complete a rigorous secondary school program of study
- Successful completion means that student must complete the rigorous program and:
 - Obtain a high school diploma; or
 - For a home-schooled student, obtain a high school diploma or certification of completion of a secondary school education in a home school setting provided by parent/guardian


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Documentation of Successful Completion of Rigorous Secondary School Program of Study

- School must collect documentation of successful completion of a rigorous secondary school program of study **and** receipt of a high school diploma or certificate of completion
- Self-certification on FAFSA is not sufficient

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Documentation of Successful Completion of Rigorous Secondary School Program of Study

- High school transcript that shows that student obtained a high school diploma or certification of completion of a secondary school education is acceptable documentation
- If transcript doesn't show diploma or certification of completion, then additional documentation (such as actual high school diploma) is necessary

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Identifying Potential ACG Recipients

- For students who self-identify as potentially eligible on FAFSA or to school, school must attempt to document successful completion of a rigorous secondary school program of study
- For students who do not self-identify, school is not required to determine ACG eligibility
- Existing guidance incorporated into regulations

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Identifying Potential ACG Recipients

- School is encouraged, but not required, to determine ACG eligibility when:
 - The student did not self-identify
 - The school has information (e.g., high school transcript) showing that the student may be eligible
- Not considered conflicting information

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Academic Year Progression

- Still must track two components:
 - Credits (or clock hours)
 - Weeks of instruction
- For credit hour programs, AY is still minimum of:
 - 24 semester or 36 quarter credits
 - 30 weeks of instruction
- Transition guidance for 2006-07 and 2007-08 was **not** incorporated into final rules

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Academic Year Progression: Credits

For credit component:

- Count all credits accepted towards the student's eligible program, including:
 - AP, IB, testing out, life experience, or similar competency measures
 - Credits earned at an institution while not a regular student in an eligible program
- Do not count credits for work below the postsecondary level (e.g., remedial courses)

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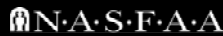
Academic Year Progression: Weeks

For weeks component:

- Do not assign weeks to :
 - Credits from AP, IB, testing out, life experience, or similar competency measures
 - Credits earned at an institution while not a regular student in an eligible program
 - Credits for work below postsecondary level
- For SMART, assign weeks for credits earned in an ACG-eligible program

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Academic Year Progression

- Transitional guidance in GEN-06-18 expires
 - Assumption method
 - Extension of final year of program
- Student who completes credits and weeks that define final year are no longer eligible
 - Example: AY = 24 credits + 30 weeks
 - Second year ends at 48 credits and 60 weeks

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Academic Year Progression: Weeks

- Weeks are determined under an exact accounting if:
 - Student is in program in which payments are calculated using formula 3 or 4
 - Student in any other program requests it
 - Institution chooses to do so for student
- Once exact accounting is performed for a student it must always be used for him/her

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Progression: Exact Accounting Example

- Joe has attended the following terms:
 - Fall semester of 15 weeks, earned 12 credits
 - Spring semester of 16 weeks, earned 15 credits
 - Summer term of 8 weeks, earned 6 credits
- Joe's academic year classification is determined based on an accrual of 33 credits earned and 39 weeks attended

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Academic Year Progression: Weeks

- An alternative method may be used *for weeks* if program uses formula 1 or 2 to calculate payments
 - Terms-attended
 - Credits-earned
 - Grade level (with qualifications)
- Only one alternative method may be chosen for an educational program

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Progression: Alternatives

- An institution may choose only one alternative to use for any given eligible educational program
 - That alternative must be used for all students in the program unless an exact accounting is performed
- An institution may identify groups of students for whom an exact accounting of weeks will always be performed

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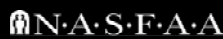


Progression: Terms-Attended Alternative

- Each term the student has attended at your institution (including summer) is considered to be:
 - 1/2 of the academic year for semesters or trimesters
 - 1/3 of the academic year for quarters
- Program must have a single summer term that provides at least 12 hours of coursework
- Limitations on credits used to calculate weeks do not apply to this method

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Progression: Terms-Attended Alternative

- Example: Beth has attended 4 semesters:
fall (15 weeks, 15 credits)
spring (15 weeks, 15 credits)
summer (10 weeks, 6 credits)
fall (15 weeks, 15 credits)
- The academic year for Beth's program is defined as 24 credits and 30 weeks
- Beth has accrued $4 \times 15 = 60$ weeks and 51 credits

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Progression: Credits-Earned Alternative

- Weeks are calculated based on credits earned, excluding any disallowed credits (AP, IB, etc.):
$$\frac{\text{Allowable Credits} \times \text{Weeks in AY}}{\text{Credits in AY}}$$
- Example: AY= 30 credits, 32 weeks; 16-week term
Don earned 60 credits: $(60 \times 32) / 30 = 64$ weeks
Sue had 15 AP credits and earned another 45 credits over 4 terms: $(45 \times 32) / 30 = 48$ weeks

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Progression: Grade-Level Alternative

The student's allowable credits (AP etc. are excluded) are used to determine his or her grade level as defined by the institution

- Because of the limitations on credits with which weeks may be associated, there still may be a disconnect between the grade level for ACG/SMART purposes and the grade level used by the school for academic purposes

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Progression: Grade-Level Alternative

The student may be assumed to have completed an academic year for each prior grade level *if*:

- The student completed at least the credits for the prior academic years; and
- At least 2/3 of the full-time, full-year students complete at least the weeks of instruction in an academic year while completing each prior grade level in the 3 most recent award years

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Progression: Grade-Level Alternative

- The 2/3 qualification may be determined individually for each program the institution wants to apply it to
- The 2/3 qualification may be determined on an institutional basis, but must then be used for all students at the institution for whom exact accounting is not used

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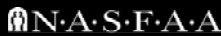
Academic Year Progression: Transfers

- All credits accepted for transfer count in the credit hour component
- Credits taken elsewhere but not accepted for transfer do not count
- Same limitations applicable to exact accounting apply to weeks (i.e., no weeks for AP, IB, etc.)
- Weeks *must* be calculated as follows:

$$\frac{\text{Accepted allowable credits} \times \text{Weeks in AY}}{\text{Credits in AY}}$$

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Progression: Transfer Student Example

- Marie transfers 36 credits from her prior school after attending two 15-week terms
 - Her new school sees that 9 of those credits were from AP courses
 - The school defines AY as 30 credits, 30 weeks
- Marie's weeks of instruction are calculated:
$$[(36 - 9) \times 30] / 30 = 27 \text{ weeks}$$

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Academic Year Progression: Transfers

- The transfer calculation to determine weeks applies regardless of the type of program the student transfers into
- Exact accounting of weeks is never performed for a transfer student
- The method of tracking weeks from entry forward at the new school is independent of the transfer calculation, and added to it

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Academic Year Progression: Transfers

- HOWEVER, the formula for determining weeks associated with transfer credits is **not** used in the case of the grade-level alternative.
- Transfer credits are simply included in the total number of credits earned to determine the student's grade level.

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Academic Year Progression: Transfers

Under current rules, a student's classification can never be less than the highest level grant already received, anywhere

- Example: Student received part of second year ACG at prior school
- Current school accepts only 21 credits
- Student must be considered in second year at new school for ACG purposes

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Academic Year Progression: Transfers

- Under new rules, transfer student's classification relates only to status at current school
 - Receipt of grant at prior school has no effect
 - Student can receive any remaining grant for current classification even if higher level grant was paid at prior school
- Example: Student receives half of ACG-1, progresses to ACG-2, then transfers. Based on accepted credit, student is once again first year and can get rest of ACG-1.

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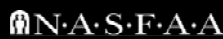
Academic Year Progression

Switching to a different eligible program at **same** school is **not** considered a transfer situation and regular progression rules apply

- Attendance in all ACG- or SMART-eligible programs at the same institution counts towards progression
- The number of credits accepted to the new program has no impact

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Academic Year Progression

- No grandfathering of students treated under transitional guidance
- ED realizes some students may regress in academic year classification under new rule
- No “backward” payments allowed at same school
- Student must wait until he or she catches up to where he/she was under the old rule


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Monday November 19, 2007
1:30PM to 3:00PM EST

NASFAA's Webinar Series
Final Rules:
The Title IV Student Loan Programs

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