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United States Government Accountability Office
Washington, DC 20548

B-298486

July 19, 2006

The Honorable Michael B. Enzi
Chairman
The Honorable Edward M. Kennedy
Ranking Minority Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable George Miller
Ranking Minority Member
Committee on Education and the Workforce
House of Representatives

Subject: *Department of Education: Student Assistance General Provisions; Federal Perkins Loan Program; Federal Work-Study Programs; Federal Supplemental Educational Opportunity Grant Program; Federal Family Education Loan Program; William D. Ford Federal Direct Loan Program; Federal Pell Grant Program; Academic Competitiveness Grant Program; and National Science and Mathematics Access to Retain Talent Grant Program*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Education (Department), entitled "Student Assistance General Provisions; Federal Perkins Loan Program; Federal Work-Study Programs; Federal Supplemental Educational Opportunity Grant Program; Federal Family Education Loan Program; William D. Ford Federal Direct Loan Program; Federal Pell Grant Program; Academic Competitiveness Grant Program; and National Science and Mathematics Access to Retain Talent Grant Program" (RIN: 1840-AC86). We received the rule on July 7, 2006. It was published in the Federal Register as "interim final regulations; request for comments" on July 3, 2006. 71 Fed. Reg. 37990.

The interim final rule specifies the eligibility requirements for a student to apply for and receive an award under certain programs including, among others, the Academic Competitiveness Grant and National Science and Mathematics Access to Retain Talent Grant programs, for the 2006-2007 award year.

Enclosed is our assessment of the Department's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the Department complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Elizabeth A.M. McFadden
Assistant General Counsel
Division of Regulatory Services
Department of Education

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF EDUCATION
ENTITLED

"STUDENT ASSISTANCE GENERAL PROVISIONS; FEDERAL PERKINS LOAN PROGRAM; FEDERAL WORK-STUDY PROGRAMS; FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM; FEDERAL FAMILY EDUCATION LOAN PROGRAM; WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM; FEDERAL PELL GRANT PROGRAM; ACADEMIC COMPETITIVENESS GRANT PROGRAM; AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT PROGRAM"
(RIN: 1840-AC86)

(i) Cost-benefit analysis

The programs covered by the interim final rule are supported by mandatory appropriations of \$790 million for fiscal year (FY) 2006; \$850 million for FY 2007; \$920 million for FY 2008; \$960 million for FY 2009; and \$1,010 million for FY 2010 or a total of \$4.5 billion.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Secretary of Education has certified that the interim final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The interim final rule does not contain either an intergovernmental or private sector mandate, as defined in title II, of more than \$100 million in any one year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

The Secretary of Education has determined that it would be impracticable to have notice and comment rulemaking or a negotiated rulemaking by the beginning of the 2006-2007 award year.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The interim final rule contains information collections subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The Department has submitted the required information to OMB including the annual burden hours.

Statutory authorization for the rule

The interim final rule is promulgated under the authority found in the Higher Education Act of 1965, as amended by the Higher Education Reconciliation Act of 2005 (Pub. L. 109-171).

Executive Order No. 12866

The interim final rule was reviewed by OMB and found to be an “economically significant” regulatory action under the order.