

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(a)(2)

Issue: Priority

Statutory cites: HEA Sec. 404A(b)(3)

Regulatory cites: 34 CFR 694.15

Summary of issue: The HEOA gives a priority in funding to entities that (1) have carried out successful GEAR UP programs prior to enactment of the HEOA, (2) have a prior, demonstrated commitment to early intervention, leading to college access through collaboration and replication of successful strategies, and 3) ensure that students served by GEAR UP programs prior to the enactment of the HEA continue to receive services through the completion of secondary school. Under previous regulations, the Secretary could choose to provide priority to applicants in Empowerment Zones or to partnerships that award scholarships.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(b)

Issue: Funding Rules

Statutory cites: HEA Section 404B(a)

Regulatory cites: To be determined

Summary of issue: The HEOA requires the Secretary to award at least 33 percent of the GEAR UP appropriation to States; at least 33 percent to partnerships; and to award the remainder “taking into consideration the number, quality, and promise of applications for the grants” and, to the extent practicable, the geographic distribution of grants and the distribution of grants between urban and rural applicants. The HEA has always required the distribution of at least 33 percent of funds to States and to partnerships. The language regarding how the remaining funds are distributed is new.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(a)(2)

Issue: Duration of awards

Statutory cites: HEA Sec. 404A(b)(2)

Regulatory cites:

Summary of issue: Previously, GEAR UP grants were awarded for a period of up to six years. The HEOA provides authority for grantees to apply for an optional seventh year of funding. The purpose of the new seventh year is to provide services at an institution of higher education to follow students through their first year of college attendance.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(a)(3)

Issue: Revised Definition of Partnerships

Statutory cites: HEA Sec. 404A(c)(2)

Regulatory cites: To be determined

Summary of issue: The HEOA changed the definition of an “eligible entity” to include a partnership consisting of 1) one or more local education agencies and 2) one or more degree granting institutions of higher education. Partnerships may include not less than two other community organizations or entities. A previous requirement that partnerships must include one or more elementary or secondary schools was eliminated.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404C(c)(3)

Issue: Changes to Matching Requirements

Statutory cites: HEA Sec. 404C(b)

Regulatory cites: 34 CFR 694.7

Summary of issue: Generally, GEAR UP grantees are required to match one dollar of non-federal funds for every federal dollar awarded. The HEOA makes a number of changes to the GEAR UP matching requirement. Previously, grantees were expected to meet matching requirements each year. The HEOA provides that grantees can meet their matching requirements over the entire life of the grant if they make “substantial progress” in meeting the matching requirements each year. The HEOA also expands the types of contributions that can be considered part of the matching funds to include the costs of administering a scholarship program under the grant-funded project.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(c)(3)(C)

Issue: Waiver of Matching Requirements

Statutory cites: HEA Sec. 404C(b)(2)

Regulatory cites: 34 CFR 694.7(b)(2)

Summary of issue: Under the HEA as previously authorized, the Secretary could, under certain circumstances, modify the percentage match requirement applicable to a partnership. The HEOA retains this provision, and also authorizes the Secretary to approve the following types of requests for reduction in match: (1) requests made at the time of an application, if the applicant demonstrates a significant economic hardship that precludes it from meeting the match requirement, (2) requests from partnership applicants to count contributions to scholarship funds established under section 404E on a two to one basis, or (3) requests made by a grantee demonstrating that the matching funds identified in an approved application are no longer available and the grantee has exhausted all reserves for replacing them.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(d)

Issue: Required and Allowable Activities

Statutory cites: HEA Sec. 404D

Regulatory cites: To be determined

Summary of issue: The HEOA modifies the GEAR UP program by distinguishing between certain activities and services that projects must provide and optional activities that projects may offer. Prior to the new law, projects could choose from a number of allowable activities and services.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(e)

Issue: Scholarship Component/Funds Held in Reserve for Scholarships

Statutory cites: HEA Sec. 404E

Regulatory cites: 34 CFR 694.10

Summary of issue: The HEOA requires State grantees to hold in reserve funds for scholarships for eligible students in an amount that is not less than the minimum scholarship amount multiplied by the number of students that the State estimates will enroll in an institution of higher education. The State must make these funds available to eligible students who meet certain benchmarks. These scholarships are portable and may be used outside the State in which the GEAR UP program is located. Grantees are also required by the HEOA to provide information on the eligibility requirements for scholarships to all participating students upon the students' entry into the programs assisted under this chapter.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(e)(5)

Issue: Redistribution or Return of Unused Scholarship Funds/Reporting on Scholarship Monies after the Grant Period

Statutory cites: HEA Sec. 404E(e)(4)(A)

Regulatory cites: To be determined

Summary of issue: Previously, the HEA was silent as to the disposition of unused scholarship funds after the closure of a GEAR UP grant. The HEOA specifies that grantees may redistribute any unused funds not distributed to eligible students within six years of their completion of high school to other eligible students. The HEOA also requires State grantees to return to the Secretary any remaining scholarship funds to be redistributed by the Secretary to other grantees.

In order for the Secretary to implement this provision, grantees may need to report on their scholarship funds after the completion of their grant award periods. At present, grantees have no accountability or reporting responsibilities to the federal government after the grants close.

Issue Paper

Proposed Regulatory Language Team IV – GEAR UP

Origin: HEOA Sec. 404(b)(1)

Issue: Continuity of Student Services

Statutory cites: HEA Sec. 404B(d)(1)(C)

Regulatory cites: To be determined

Summary of issue: The HEOA requires the Secretary to require eligible entities to continue to provide services to students who received services under a previous GEAR UP grant award but have not yet completed the 12th grade. Under the GEAR UP program, grantees may choose to add new cohorts (grade levels) of students each year of a grant and there is no minimum grade level at which services may begin. Accordingly, grants can end before students have completed high school. The HEOA requires eligible entities to provide services to those students through the 12th grade. Prior to the new law, there was no provision for grantees to serve students from a previous grant.