



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

GEN-06-18

THE ASSISTANT SECRETARY

Subject: Implementation of "Academic Year" Definition in the Academic Competitiveness Grant (ACG) and National SMART Grant Programs

Summary: This letter provides guidance to institutions concerning how to implement the "academic year" definition within the ACG and National SMART Grant programs for the 2006-07 and 2007-08 award years.

Dear Colleague:

I would like to express the Secretary's thanks and appreciation for the efforts that everyone in the postsecondary education community has put forth to successfully implement the new Academic Competitiveness Grant (ACG) and National SMART Grant programs, now included in Title IV of the Higher Education Act of 1965, as amended (HEA). I know the effective implementation of these new programs has presented unique challenges to financial aid and other offices on college and university campuses around the country. The number of students receiving these grants is increasing daily, showing that these efforts are working.

As you know, the Department published interim final regulations on July 3, 2006, to govern the awarding of ACG and National SMART Grants for the 2006-2007 award year. We anticipate publishing any revisions to these final regulations by November 1, 2006, based on public comments received in response to the interim final regulations. Any such changes will govern the programs for the 2007-2008 award year. Any changes to the regulations for the 2008-2009 award year and beyond will be developed through a negotiated rulemaking process, which began on September 19, 2006.

Institutions that participate in the Federal student aid programs are responsible for properly implementing the requirements of these new programs, as provided in the statute and in the regulations. Institutions are reminded that the administrative capability regulations require them to have procedures in place for sharing information among their offices if that information impacts a student's eligibility for any Title IV, HEA funds, including funds from the new ACG and National SMART Grant programs. That said, the Secretary understands that many institutions are facing significant challenges in implementing these new programs, with virtually no lead time. Department staff will take this into consideration when reviewing an institution's implementation of the new programs.

The Department will use information that it has available in its application and delivery systems to support institutions as they carry out their responsibilities for the new grant programs. Beginning in December 2006, we will share with institutions information about ACG and National SMART Grants already received by students. These systems will also have safeguards in place to assist institutions in ensuring that students do not receive more than one first-year ACG, one second-year ACG, one third-year National SMART Grant, or one fourth-year National SMART Grant award. We will also use our systems to monitor for students who appear to be receiving more than one full ACG or National SMART Grant in less than 30 weeks.

1990 K STREET, N.W. WASHINGTON, D.C. 20006

Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

Academic Year

One provision of the new grant programs that some institutions have indicated as particularly difficult to implement relates to the use of the term “academic year,” with respect to determining which academic year a student is enrolled in or has completed. The term “academic year” is specifically defined in section 481(a) of the HEA, and institutions are required to develop a Title IV academic year definition for each of their academic programs that meets or exceeds the minimum requirements of that statutory definition.

HEA section 481(a) states that, for a program that measures progress in credit hours, the academic year must include at least 24 semester credit hours or 36 quarter credit hours and, for both, a minimum of 30 weeks of instructional time. In general, a week of instructional time is defined as any consecutive seven-day period in which at least one day of regularly scheduled instruction occurs. The definition of an academic year also provides that a program offered in clock hours must have at least 900 clock hours and 26 weeks of instructional time.

Institutions have flexibility in defining the Title IV academic year for each of their academic programs as long as the statutory minimums are met. In many cases, institutions have defined their Title IV academic year to coincide with their normal academic grade level progression (e.g., freshman, sophomore, etc.) and their grade level progression for the Title IV student loan programs.

Credit Hour Component of an Academic Year: An institution must define a Title IV academic year for each of its academic programs in accordance with the statutory minimums. For example, an institution may choose to use the same 30 semester credit hours that it uses for other academic and financial aid purposes or the minimum 24 semester credit hours.

When determining a student’s eligibility for an ACG or National SMART Grant, an institution must use its defined Title IV academic year for that student’s program. The institution must use in that determination the number of credit hours earned by the student at that institution or at another postsecondary institution(s) if those credit hours will be accepted to meet a part of the requirements for the student’s eligible program. Credits earned by a student from Advanced Placement (AP) coursework, International Baccalaureate (IB) coursework, testing out, life experiences, etc. must also be included if the institution uses those credits to meet a part of the requirements of the student’s eligible program.

Weeks of Instruction Component of an Academic Year: Because of the difficulty facing many institutions that use traditional term-based academic calendars in determining the actual number of weeks of instruction it took a student to complete the number of credit hours in an academic year, an institution whose academic calendar includes at least 30 weeks of instructional time offered in standard terms may, on a student-by-student basis, use either of the two following approaches for the 2006-2007 and 2007-2008 award years:

- Assume that there were 30 weeks of instructional time for each increment of credit hours that comprises the institution's Title IV academic year definition (e.g., 24 credit hours equals 30 weeks of instruction, or 30 credit hours equals 30 weeks of instruction). However, under this approach, an institution must have controls in place to ensure that no student receives more than one full ACG or National SMART Grant award in any 30 week period. An institution must also determine the actual number of weeks of instruction for a student who requests that such a determination be made or who questions whether he or she has completed an academic year.
- Determine the actual number of weeks of instruction that were included for the student to complete the number of credit hours in the institution's Title IV academic year definition by reviewing the student's academic record to see how many weeks it took the student to complete the credit hours earned. When performing this review, an institution may not assign any weeks of instruction to credits earned by the student from Advanced Placement (AP) coursework, International Baccalaureate (IB) coursework, testing out, or life experience since those credits were not earned during attendance at a postsecondary educational institution, even though they apply toward completion of the student's program, and thus in the credit hour component of a Title IV academic year.

Illustrative Example: A student begins enrollment at an institution that defines its academic year as 24 semester credits. The institution applies 24 credits that the student earned through AP toward completion of the student's eligible program. The institution chooses to review the student's academic record to determine the actual number of weeks of instruction (or the student requests that the institution do so). Since all the credits earned were from AP and there are no weeks of postsecondary instruction associated with AP credits, the student is still in her first academic year and is eligible for a first year ACG award.

Fourth Year National SMART Grants

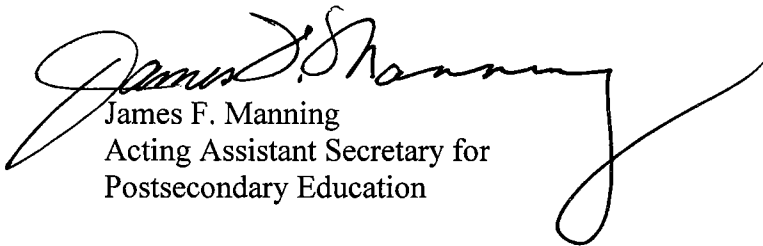
We have been asked whether an otherwise eligible student who has earned more than four times the number of credit hours in the institution's defined academic year is eligible for a fourth-year National SMART Grant. For example, is a student eligible who has earned 120 semester credit hours in an academic program that requires 132 semester credit hours to complete at an institution that defines its academic year as 30 semester credit hours?

Generally, a student who has earned more credits than four times the number of credits in the institution's definition of its Title IV academic year is not eligible for a National SMART Grant, since that would mean that the student has completed his or her fourth academic year. However, for the 2006-2007 and 2007-2008 award years, we will consider a student's fourth academic year to end when the student has completed the minimum number of credits required for completion of that academic program, as published in the institution's official academic publications. A student may only receive one fourth-year National SMART Grant.

Illustrative Example: A student enrolled in an engineering program that requires 132 credits for completion ends his or her fourth academic year when the student has earned 132 credits. Thus, the student is eligible for fourth year National SMART Grant funds until he or she has earned 132 credits, assuming the student has not already received the maximum amount of a fourth year National SMART Grant. The same result would apply for a student who has completed, for example, 96 credit hours of a program that requires 120 hours for completion, where the institution defines its academic year as the completion of 24 credit hours.

We hope that this guidance helps institutions as they work to complete the process of awarding ACG and National SMART Grants this year and for the 2007-08 award year, and we thank you for your cooperation and patience.

Sincerely,



James F. Manning
Acting Assistant Secretary for
Postsecondary Education