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**AN UPDATE ON THE GAINING EARLY AWARENESS
AND READINESS FOR UNDERGRADUATE PROGRAM
(GEAR UP)**

BRIEFING DOCUMENT

**ADVISORY COMMITTEE ON
STUDENT FINANCIAL ASSISTANCE**

NOVEMBER 1999

FOREWORD

Congress created the Advisory Committee on Student Financial Assistance in the Higher Education Amendments of 1986 to serve as an independent source of advice and counsel to the Congress and the Secretary of Education on student aid policy. Congress originally defined its most important purpose in the 1986 statute: to make recommendations that will result in the maintenance of access to postsecondary education for low- and middle-income students.

Since its creation, the Committee has identified improving access as its primary focus. Over the years, we have reviewed the federal government's efforts to meet the challenges presented by the underrepresentation of at-risk populations in postsecondary education. In particular, the Committee's August 1992 meeting at Roger Williams University in Bristol, Rhode Island and our September 1996 meeting at Washington State University focused on the need to maintain and expand current early awareness and outreach efforts. Through these deliberations, the Committee has found that progress toward the federal government's primary role in higher education--promoting access for low- and middle-income youth--has seriously stalled and that a renewed commitment to at-risk students is required to position our nation for the twenty-first century. In addition, the Committee has found that lack of information about financial aid early in the educational process diminishes the overall effectiveness of the federal aid programs. In May 1997, as part of our reauthorization recommendations to Congress, we stressed the importance of providing academic support services and information about college cost to at-risk students early in order to increase access to higher education.

The Advisory Committee's most recent focus results from the Higher Education Amendments of 1998 (P.L. 105-244). Specifically, the Advisory Committee was asked by Congress to monitor the implementation of the Higher Education Amendments of 1998; conduct independent, objective assessments; and make recommendations for improvement to the Congress and the Secretary in the area of early information and needs assessment. In particular, Congress asked the Advisory Committee to assess the adequacy of methods of disseminating information about the Title IV programs,

including early needs assessment and information for early high school students.

At our January 1999 meeting in Washington, DC, Department of Education (the Department) officials provided an update on the Department's plans for the Gaining Early Awareness and Readiness for Undergraduate Program (Gear Up) created in the 1998 Higher Education Amendments to raise educational expectations and prepare low-income students for college. Our April 1999 meeting at the University of Mississippi, in Oxford, Mississippi provided an overview on the role of postsecondary institutions, states and community-based organizations in early intervention and outreach.

This document is a follow up to the Committee's January 1999 meeting on the implementation activities and operation of the Gear Up program.

INTRODUCTION

The most important federal role in higher education is improving access for low- and middle-income students. Although the Title IV programs have done an excellent job in supporting entry to higher education for college-bound students, wide disparities in participation by family income continue to exist. In addition, this widening gap between the college-going rate continues to raise concern about academic preparedness and the quality of information provided to students, parents, and counselors about college cost and financial aid.

Access to postsecondary education has increased over the years among all racial/ethnic and income groups. Although the percent of low-income students enrolled in college has increased, the enrollment gap between high- and low-income students has not improved. According to a recent study published by the Department, *Factors Related to College Enrollment, 1998*, only 43 percent of children from low-income families enroll in college after high school, compared to almost 83 percent of children from high-income families.

In addition to income constraints, data reveal that low-income students may not enroll in college due to the lack of academic preparedness and quality of information about college cost and financial aid. The Department's study also

found that low-income students are significantly less likely than their peers to enroll in key college-preparatory courses and their prerequisites during middle and high school years. Added to that, a study conducted by the American Council on Education (ACE) last year showed that the public lacks adequate information about the price of college and the availability of financial aid resources. ACE's research revealed that the public greatly overestimates the cost of a college education by as much as 200 percent and underestimates the resources available to help pay for college. Findings further indicated that students most at risk are minority students and low-income families.

Research studies and national educators recommend targeted early intervention efforts at the elementary and middle school levels before attitudes about postsecondary education are formed. Recognizing the importance of starting intervention efforts early, Congress, in the Higher Education Amendments of 1998 created the Gaining Early Awareness and Readiness for Undergraduate Programs (Gear Up). Gear Up is designed for a cohort of students beginning not later than the seventh grade to provide college-preparation services to an entire grade of students at certain middle schools in low-income areas. Gear Up has two major components: the Early Intervention Component, under which projects provide early college preparation and awareness activities to students through comprehensive mentoring, counseling, outreach and other supportive services; and the Scholarship Component, under which a project establishes or maintains a financial assistance program that awards scholarships to participating students.

Gear Up provides two types of five-year grants—partnership grants and state grants. Partnership projects must provide early college preparation and awareness activities and must include, at least one higher education institution, one low-income middle school and two other organizations such as businesses or community-based groups. They are encouraged to provide college scholarships, but are not required to do so. Partnerships projects must serve at least one whole grade level and must start no later than the seventh grade. State projects must provide both early college preparation and awareness activities and scholarships for participating students. The state programs must treat low-income students as a priority and coordinate with efforts of schools, local community organizations, and colleges and universities.

The Department recently completed two implementation activities under Gear Up: the awarding of \$120 million for new fiscal year (FY) 1999 Gear Up grants and the negotiated rulemaking process for subsequent competitions for Gear Up

funding. The Department awarded \$75 million for 164 partnerships and \$42 million for 21 state grants. Although the issues were resolved during the negotiation sessions, there still continues to be significant opposition to the requirements regarding the amount of a Gear Up scholarship and its relationship to other federal student financial assistance.

The purpose of this paper is to provide an update on the implementation activities of the Department's Gear Up program. The first section describes the grant process and selectively explores the types of Gear Up grantees in terms of the Advisory Committee's model of an effective early intervention program. The next section provides a brief summary of the negotiated rulemaking process for subsequent grant competitions. Finally, it concludes with a discussion of what the Department should focus on for the next round of grants.

**GAINING EARLY AWARENESS AND READINESS
FOR UNDERGRADUATE PROGRAMS (GEAR UP) GRANTEES**

Congress created the new Gear Up program in the Higher Education Amendments of 1998 to support early college preparation and awareness activities at the local and state level for an entire grade of students at middle schools in low-income areas. For FY 1999, Gear Up received \$120 million for approximately \$75 million for partnership grants and over \$40 million for state grants.

At the Committee's January 1999 meeting in Washington, DC, Department officials provided an update on its implementation plans for Gear Up. The Department kicked off the program with a series of well-attended regional meetings with the community to introduce Gear Up and Dear Colleague letters were sent to schools describing the program and the grant process. Shortly thereafter, the Department issued grant applications and held a series of workshops for prospective grantees. By the end of April, the Department had received 678 partnership and state proposals representing all 50 states and an estimated one out of every five U.S. colleges and more than 4,500 organizations. However, only one in four partnership grant applications and half of the state grant applicants could be funded with the \$120 million appropriated for FY 1999.

On August 7, the Department announced the award of \$120 million for new Gear Up grants: \$75 million for 164 partnerships between colleges and universities and \$42 million for 21 state grants. In addition to technical compliance with the application, awards were based on the following criteria: demonstrated need, backed by statistics; project significance and its potential to effect system change or improvement; quality of project design with clear goals and objectives; quality of services; quality of project personnel; adequacy of resources (support, facilities); and quality of the management plan and evaluation (setting measurable outcomes and mechanisms for continual feedback for program improvement over the grant period). See **Appendix A for a complete list of FY 1999 Gear Up partnerships and state grant awards (<http://www.ed.gov/gearup/awards.html>)**

The following section provides brief descriptions of selected model early intervention partnership and state programs provided by the Department.

1999 GEAR UP AWARDS

Partnership Grantees

Odessa College Gear Up Partnership Program

Odessa College and Ector County Independent School District (ECISD), in partnership with Junior Achievement of Odessa, Walmart, and Texas Scholars/Career Achievers will implement a Gear Up project serving students beginning in the 7th grade at Hood Junior High School.

Ector county, home of ECISD and Odessa College is located in a vast and economically depressed area of West Texas severely affected by an economy based primarily on the turbulent oil and gas business. More than 60 percent of the students at Hood Junior High are economically disadvantaged, and 49 percent are ethnic minorities. Cohort dropout rates for the time from 7th-12th grade average approximately 45 percent and less than 12 percent of students who enter college earn a baccalaureate degree.

The project's objectives focus on increasing academic preparation, early awareness of college options, financial aid opportunities, and true involvement of parents in early planning for college. Furthermore, when the cohorts of students reach 11th grade, they will be eligible to receive a scholarship to attend Odessa College during their junior and senior years of high school, and obtain credit towards high school graduation. During the summer, incoming 7th graders will attend a two-week program that introduces them to junior high life. The partners intend for all Gear Up students, once they reach high school, to participate in Texas Scholars, a program designed to link community service to college preparatory classes.

Odessa College has planned for systematic comprehensive and detailed evaluation of the project. At the heart of the plan are the purposes and specific objectives that will be achieved through the project. Evaluation will include close monitoring on a regular basis, in both qualitative and quantitative terms, of the extent to which the objectives are met. Methodologies will include both ongoing and end of year evaluations. A data base will be established to track students, and computerized tracking will facilitate rapid

and accurate compilation of project statistics to clearly track the progress toward objectives.

Lower Yakima Valley Gear Up Project

The Lower Yakima Valley Gear Up Project (LYVGUP) is a partnership that consists of: eight school districts that serve the project area, the University of Washington, Yakima Valley Community College, the Yakima Nation, the Yakima Valley Farm Workers Clinic, the Healthy Communities Alliance, the Northwest Learning and Achievement Group, and the Microsoft Corporation.

The Lower Yakima Valley Gear Up Project will serve an area in central Washington State, including a Rural Enterprise Community that is marked by extreme poverty and by low educational attainment. The vast majority of the population in the project area are Hispanics and Native Americans who work for minimum wage in the region's farm industry. The majority of the adult population do not hold a high school degree.

The target schools have an average free and reduced lunch rate of 81 percent; all of the school's rates are above 50 percent. In the first year of operation, the project will serve the entire 6th grade class in every school in the target area, a total of over 1,200 students. In the second year of the project, the project will add another 6th grade class, but will continue to work with the previous class. By the fifth year of the project, the partnership will be serving over 7,000 students. The project will provide the following services:
academic assessment and class planning; career and college planning; academic advising and tutoring; campus field trips; information sessions on financial aid, admissions, and other college readiness issues; service learning; mentoring; parent training and involvement; teacher training and development; and technology.

The evaluation plan was developed jointly by the members of the LYVGUP Partnership. The project administration, each site, and each member of the partnership will be given a Progress Assessment Portfolio Kit. The kit will contain a folder for each project objective where indicators for

accomplishment of each activity will be filed. Documentation of student performance data, parent participation, and school staff, student and parent evaluations of project activities and services will be housed in the kit. The kit will also contain forms designed to collect other data relevant to the project including information related to staff training and development, information related to partner and projects staff roles and responsibilities, and project management performance reports. The kit facilitates the collection of a variety of information giving the partnership the advantage of presenting a thorough look at the project and measuring program impact as a whole. It is also designed to be a means to find indicators of significant program effects and to permit the collection of evidence to corroborate some other possible more abstract findings.

Shawnee Community College (SCC)

Shawnee Community College (SCC), serving as chief organizer of the Gear Up project is located in rural impoverished Pulaski County. The partnership includes: SCC, Cairo Unit School District, Century Community Unit School District, Egyptian Community School District, Meridian Community Unit School District, Regional Office of Education, Illinois Gear UP Alliance, Southern Illinois Collegiate Common Market, Housing Authority of Pulaski County, Housing Authority of Alexander County, and Southern Seven Health Department.

The four target schools are located in rural economically depressed Alexander and Pulaski counties. An alarming 65-93 percent of the students attending the participating schools which have a 7th grade are eligible for free or reduced-price lunches. Both counties are included in the Lower Mississippi Delta Region, termed in 1990 the poorest region in the United States.

The Gear Up project will serve a cohort of students, utilizing the "New Grades Added" design, focusing on college preparation and awareness activities intricately designed for participants and target schools. SCC hopes that the outcomes of the project will result in ensuring that 100 percent of the participants will have access to rigorous academic courses and financial aid information to prepare them for college.

Evaluation tools and data collection procedures will be utilized to provide effective strategies for dissemination. A major asset of the evaluation plan will be the utilization of Shawnee Community College's AS/400 computerized accountability system which produces appropriate, objective, and quantifiable data to demonstrate whether the project is effectively achieving its objectives and providing services. The project coordinator and field counselors will each have access to a computer to electronically monitor the participants, utilizing the tracking system customized for the Gear Up project. This computerized tracking will facilitate rapid and accurate compilation of project statistics that clearly trace the progress in achieving objectives. The data will be compiled by the month, end of grade report, and annually.

Central Wyoming College

Community and business partnerships have been established in support of this Project. The partners include, Patricio Productions, Wyoming.com Internet Service, AmeriCorps, Eagle Wings and the National Aeronautics and Space Administration (NASA).

Central Wyoming College (CWC) is a small, two-year community college located within the boundaries of one of the largest Native American reservations in the United States. The schools identified for Gear Up services are among the poorest in the nation, with poverty rates reaching as high as 70 percent. Nine out of 10 individuals over 25 have not received a college education. The Gear Up project, referred to as the Community Host, Academic, Mentoring, Partnership (CHAMP), proposes to serve six rural middle schools. The Partnership will have a first year count of 581 seventh grade students, with incoming seventh grade classes entering the Project thereafter. Ninety percent of the students will be Native American.

CHAMP will provide early college awareness using three main strategies: (1) a systemic change of networking procedures with the community; (2) rigorous preparatory college courses; and (3) a committed scholarship component. These strategies will be implemented through course curriculum redesign and professional development opportunities for teachers. Students will be provided with tutoring, mentoring, and job shadowing. Saturday Academies and a two-

week intensive summer program will be offered to all CHAMP students. A coordinated method of providing financial assistance information to students and parents has been established. In support of their project, CWC has committed a scholarship component providing direct financial aid to students totaling \$650,000 over the five-year period.

NASA will play a major role in providing educational services to the program participants. As huge distances are involved in the Partnership schools, distance technology is a necessary component for providing rigorous college preparatory courses. NASA's contribution to the project includes providing mentoring, internship opportunities, staff development activities, and ensuring that students gain exposure to career opportunities in math, science, and technology. NASA will also provide a series of seven video programs, "NASA-Connect," to the target schools that will be distributed over CWC's established STARS schools Distance Learning Partnership network.

An independent evaluation will be an integral part of the process. The target area is impeded by its geographical isolation. The involvement of an external evaluator with a broad exposure to TRIO and other programs for at-risk, diverse student populations will be hired to provide a much needed perspective of expectations. The external evaluator will be an outside, impartial person contacted to assess all aspects of the Project on a regular basis.

State Grantees

New Jersey's Gear Up Project

New Jersey's Gear Up state project will focus on 10 middle and seven high schools in four of the state's most distressed urban cities: Camden, Jersey City, Newark, and Trenton. Student performance on proficiency tests in reading, writing, and mathematics in these schools is far below the state average. In collaboration with the State Department of Education, the State Higher Education Student Assistance Authority, and six colleges and universities, the Commission on Higher Education will provide students with encouragement, academic and support services, and funding to pursue undergraduate education. In year one, 568 students in grades seven to 12 of the targeted schools will receive extensive grade-appropriated services including counseling,

after school and Saturday tutoring, summer programs, mentoring and college visits. Three hundred additional middle school students will be served annually through college awareness workshops and after school tutoring.

In addition to early intervention, the project will have a strong scholarship component. Following award of the federal and a comparable state 21st Century Scholar Certificate, students will receive financial aid workshops and individual application assistance. The state pledges a \$3,000 NJ Gear Up scholarship to students who complete the program and enroll in a New Jersey college or university. These students will also be eligible for participation in the state's Educational Opportunity Fund (EOF) program, which provides scholarship assistance and support services including a bridge program between high school and the freshman year in college.

As a result of this project, NJ Gear Up estimates that almost one in five of the 7th and 8th graders in the targeted middle schools will receive an unprecedented level of academic and personal support. All 2,200 students enrolled in the 7th and 8th grades of the targeted middle schools will benefit from the information disseminated in the schools about college and financial aid options. Ultimately, the NJ Gear Up project expects that at least 250 students graduating from the targeted high schools each year from 2004 to 2009 will enroll and succeed in college as a result of the services made available to them by the NJ Gear Up state project.

In order to evaluate this program, the Commission's Research Office has developed a PC-based, student unit record enrollment system in Microsoft Access, which will be called the GIST system (Gear Up Individual Student Tracking System). It contains data elements in five major components for each student (demographics, academic background, program participation, individual goals and objectives, and specific information relative to high school seniors, e.g., college application process, financial aid, and college acceptance). Parents will also be given the opportunity to provide feedback and evaluation of the program through the Parent Advisory Board. The project will also track feedback from school principals, guidance counselors, teachers, and campus program staff to determine what impact the program has had

on the school and the degree to which the programs are assisting students.

In addition, the program will be evaluated through all of the mechanisms above on an ongoing basis and aggregated to reflect the entire state project. The comprehensive nature of the data collected and the analyses performed, combined with the representation of both two-year and four-year colleges by the four programs in the state project will enable NJ Gear Up to disseminate quality information to other states, programs, and schools interested in replicating the delivery of services and outcomes achieved by the project.

Gear Up Alaska

Gear Up Alaska will assist eligible, disadvantaged Alaska students to meet high academic standards, pass state benchmark assessments, become better aware of college opportunities and become prepared to attend and complete college. Gear Up Alaska will also include a four-year scholarship program, allowing approximately 40-50 students to attend college annually. The project will provide competitive grant funding to schools and communities to provide education intervention programs for disadvantaged 6th to 8th grade students who have failed to pass the state's benchmark assessments. Additionally, these local education intervention programs will provide students information about college opportunities, financial assistance and college requirements, including their opportunity to receive a Gear Up Alaska scholarship.

Gear Up Alaska will have three evaluations: self, program and state. The local program directors and staff will complete the self evaluations. These evaluations will be for grant recipients, having them reflect on their ability to provide a program that provided reading, writing and mathematics assistance along with college awareness and financial aid. Program evaluations will be completed by students, teachers, parents and others community members participating in the local program. Each of these evaluations will provide information on the program effectiveness in the following areas: academic support in the basics; college awareness and financial aid; professional development; and ancillary components such as

training, mentoring, tutoring, job shadowing, and parent and community involvement. Finally, the state evaluations will be conducted by local Gear Up directors and those receiving Gear Up training. They will provide information on the impact of program services for targeted students, the helpfulness and usefulness of Gear Up Alaska in providing materials, support and technical assistance.

Along with these evaluations, the programs will be required to track Gear Up students to provide information on achievement as measured on state benchmark exams and the state high school qualifying exams as well as high school attendance and completion along with postsecondary decision and completion rates.

Discussion

The Advisory Committee has found through its research that the most effective programs have several key characteristics including: a sound, overall, program design (early and continuous interventions); broad, time appropriate counseling services (mentoring, self-esteem building, information about career options, college admissions and financial aid); comprehensive academic support (supplemental instruction, tutoring and academic counseling) partnerships and coordination with other programs, including TRIO--the existing college preparatory program; student tracking; and program evaluation.

Based on the winning proposals that the Committee staff was able to review, all of the grantees fit the Advisory Committee's model of an effective program. The grantees have clear goals and objectives for their programs and offer a range of services including, college awareness activities, mentoring, academic course counseling, and financial aid information aimed at strengthening skills and opportunity for at-risk youth to pursue postsecondary education.

One of the most important aspects of Gear Up is its emphasis on partnering and coordination with existing early intervention efforts. Partnering and coordination are important in ensuring that students receive adequate preparation needed to succeed in college. According to the Department, on average, partnership applications involved seven or eight partners. The staff found that the state projects are coordinating with established intervention

programs to provide comprehensive services. For example, NJ's Gear Up project is coordinating with the state's Educational Opportunity Fund program which provides scholarship assistance and support services including a bridge program between high school and the freshman year in college.

In addition, the projects appear to have well thought out and highly developed tracking and evaluation plans. For example, a number of the projects featured in the paper including Odessa College, Shawnee Community College and New Jersey will design a database to track its students through the educational process providing accurate and timely data on a monthly, quarterly and annual basis. The evaluation plans are designed to provide regular feedback relative to not only the project objectives but student performance, effectiveness of project services and activities in order to develop strategies and solutions to problems and improvement to the overall operation of the program.

The success of Gear Up will be due largely in part to the Department's evaluation of the program. Gear Up has brought in new participants in early intervention. While there are some well established programs, there are many new proposals from institutions that have little or no experience in this area and may have problems implementing their programs. Therefore, feedback from grantees and tracking of the students who participate in these programs at each educational level is paramount. Past studies of the TRIO programs have revealed difficulty in measuring the overall effectiveness of the program due to variation across projects in the target population and data collection and reporting practices. It is important that these same problems not affect the Gear Up program.

Congress, in an effort to ensure the program's effectiveness included an evaluation component in the authorizing legislation. Specifically, the Higher Education Amendments of 1998 require all Gear Up grantees to collect annual data on a set of program performance indicators developed by the Department (draft now available) in accordance with the Government Performance and Results Act (GPRA) and requires the Department to report annually on Gear Up's performance. The performance indicators include short-term measures to be collected annually, such as student attendance, on-time grade promotion, course-taking behavior (including college

preparatory courses such as algebra, geometry, chemistry, and physics) student participation over time, and targeting of services to high-need populations. In addition, long-term indicators such as high school completion and postsecondary enrollment are being developed. ED anticipates that the first annual performance report, covering activities in year one, will be available in the fall of 2000.

In addition, the law requires a long-term evaluation of Gear Up. Westat, Inc. was recently awarded a \$5 million contract to conduct a five-year study to evaluate the effectiveness of projects funded under Gear Up. Westat will evaluate the program's implementation by collecting and analyzing the annual performance data from grantees beginning in spring 2000, conducting case studies, and analyzing annual surveys beginning in spring 2001 of all Gear Up state and partnerships on topics including, program management and staffing, student targeting, service delivery, funding and partnership structure. Finally, Westat will provide an in-depth assessment of the program's impact.

GEAR UP NEGOTIATED RULEMAKING

In order to make awards on a timely basis, the Department published the regulations for the FY 1999 competition in final under the authority of section 437(d) of the Higher Education Act. Further, the Department determined that, to make grants under the competition before the funds expired, the use of negotiated rulemaking for the FY 1999 competition would be impracticable. However, as required by statute, on June 30, 1999, the Department announced its intention to establish a negotiated rulemaking committee to draft proposed regulations that will apply to the subsequent competitions for Gear Up funding.

On September 30, the Department completed negotiations to draft proposed regulations that will apply to subsequent competitions for Gear Up funding. After several meetings, consensus was reached on a final regulations package. Although the issues were resolved during the sessions, there still continues to be significant opposition to the requirements regarding the amount of a Gear Up scholarship, and its relationship to other federal student financial assistance.

This section will provide an update on the negotiated rulemaking process for Gear Up and the Department's plans for publishing a proposed regulation.

Discussion

The Gear Up Negotiated Rulemaking Committee reached agreement on all of the provisions in the draft regulation proposed by the Department. However, one issue regarding the Gear Up scholarship and its relationship to other federal student financial assistance threatened consensus on a final regulations package.

As mentioned earlier, one of Gear Up's major elements is the scholarship component, under which a project (state or institutional partnership) establishes or maintains a financial assistance program that awards scholarships to participating students. The statute requires all Gear Up state programs to offer a financial assistance program to participating students. Partnerships are not required to offer scholarships but are encouraged to do so.

The statute under section 404E(c) of the Higher Education Amendments of 1998, specifically states,

" Scholarships provided under this section shall not be considered for the purpose of awarding Federal grant assistance under this title, except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed such student's total cost of attendance."

During the negotiating sessions, the Department issued a proposal that called for institutions not to factor in Gear Up scholarships when packaging students' aid awards. According to the Department, as reported in an October 8 article of the *Chronicle of Higher Education*, the proposal was intended to make it easier for Gear Up recipients to get scholarships from colleges, because the Gear Up aid would not be counted against students when they applied for other grants. Also, the proposal reflected the practice of the Department which does not take students' Gear Up grants into account when determining if they qualify for other federal loans and grants. The draft proposal read,

" 694.11(a) Other grant assistance. A Gear Up scholarship may not --

(1) be considered in the determination of a student's eligibility for other grant assistance provided under title IV of the HEA; and

(2) supplant other public or institutional gift aid that the student would otherwise have been eligible to receive (such as grants, scholarships, and tuition discounts), unless the conditions in 694.11(b)(2) apply.

(b) Cost of Attendance. (1) A Gear Up scholarship, in combination with other student financial assistance awarded under any title IV HEA program and any other grant or scholarship assistance, may not exceed the student's cost of attendance.

(2) If the combination of the Gear Up scholarship and other student financial assistance under title IV of the HEA and any other grant or scholarship assistance exceeds the student's cost of attendance, the institution must, before

reducing public or institutional aid, reduce the assistance by the amount in excess of cost of attendance in the following order--

- (a) loans;
- (b) need-based student employment;
- (c) a Gear Up scholarship;

except that the institution may reduce need-based employment first and loans second at the election of the student.

(3) Notwithstanding paragraph (b) (2), an institution may reduce its institutional aid before reducing a Gear Up scholarship only if-

(i) it determines and documents in writing that there are exceptional circumstances related to the Gear Up student's need for gift assistance that are unique to that Gear Up student;

(ii) it documents and maintains in the Gear Up student's file the modification that was made to the Gear Up student's gift aid award package and the reason for the modification; and

(iii) it provides written notification to the Gear Up student of the reason for and the specific modification that was made to the gift aid package."

Representatives of the National Association for Independent Colleges and Universities (NAICU) objected to the language because they felt that it mandated how institutions package their students' aid awards. NAICU threatened to dissent from the regulation if the Department would not modify the language.

The dispute was resolved when the Department agreed to place a disclosure statement in the regulations. Specifically, an institution would have to disclose its policy for the treatment of a Gear Up scholarship in relation to other student financial assistance if the institution does not follow the procedures set forth in the regulation. The regulation suggests that Gear Up scholarships not be considered when colleges are calculating students' aid awards and allows institutions to take Gear Up funds into account in individual cases. In those cases, the regulations would require colleges to disclose to students and the Department by September 1, 2000 that its treatment of Gear Up scholarships with respect to institutional gift

aid is different from the procedures suggested in the regulation. The final regulatory language states under 694.11:

(a) No disclosure.

" No disclosure of an institution's policy for the treatment of a Gear Up scholarship in relation to other student financial assistance is necessary if the institution's policy is as follows:

(1) Other grant assistance. A Gear Up scholarship-

- (i) is not considered in the determination of a student's eligibility for other grant assistance provided under Title IV of the HEA; and
- (ii) does not supplant other public or institutional gift aid that the student would otherwise have been eligible to receive (such as grants, scholarships, and tuition discounts) unless the conditions in section 694.11(b)(2) apply."

(2) Cost of attendance. A Gear Up scholarship, in combination with other student financial assistance awarded under any title IV HEA program and any other grant or scholarship assistance may not exceed the student's cost of attendance.

(3) Overawards. If the combination of the Gear Up scholarship and other student financial assistance under title IV of the HEA and any other grant or scholarship assistance exceeds the student's cost of attendance, the institution must, before reducing public or institutional gift aid, reduce the assistance to zero, by the amount in excess of cost of attendance, in the following order--

- (i) loans;
- (ii) need-based student employment;
- (iii) the Gear Up scholarship;

except that the institution may reduce need-based employment first and loans second at the election of the student.

(4) Notwithstanding paragraph (3), an institution may reduce its institutional aid before reducing a Gear Up scholarship only if-

- (i) it determines and documents in writing that there are exceptional circumstances related to the Gear Up student's institutional aid that are unique to that Gear Up student;

(ii) it documents and maintains in the Gear Up student's file the modification that was made to the Gear Up student's gift aid award package and the reason for the modification; and

(iii) it provides written notification to the Gear Up student of the reason for and the specific modification that was made to the gift aid package.

The Senate may introduce a technical amendment to the Higher Education Amendments of 1998 to resolve this issue in statute.

In the meantime, the Department is expected to publish a proposed regulation for 60-day comment. Publication has been delayed due to the uncertainty of FY 2000 appropriations. For FY 2000, the Department requested a 100 percent increase in Gear Up funding. However, the House bill zeroes out funding for Gear Up while the Senate bill provides only \$180 million. The proposed regulation is expected to be published soon after the appropriations process is completed.

CONCLUSION

The federal government now has the opportunity to reenergize and reinvent the federal access strategy. For any substantive progress to be made toward improving access for low-income, at-risk youth, it is essential that the Department take a strong leadership role on behalf of these needy students.

In doing so, the Department must recognize the importance of the specific populations served by both TRIO and Gear Up and equally support these programs through the budget and appropriations process to ensure their survival. And, equally important, the Department must coordinate TRIO and Gear Up programs on the program and the policy level to assure a steady sequence of age-appropriate services for students throughout the educational process.

In addition, the Department must take steps to develop efficient data collection methods to enable them to provide timely information on the characteristics of the program grantees. Characteristics of the program grantees were not yet available at the writing of this report.

Finally, the Department must ensure effective monitoring and evaluation of the Gear Up program. In the past, the Department has been unable to quantify targets or make improvements to the programs at the federal level due to inadequate data collection and reporting requirements.