



**[KATHLEEN WICKS:]** My name is Kathleen Wicks. I am the director of the Title IV grant programs for federal student aid. That means I handle all the grant programs other than TEACH grant for federal student aid. So that is PELL, ACG, SMART, the LEAP and SLEAP soon to be GAP programs from the state, as well as the ACG and National SMART programs, and all the campus-based programs as well. So I am the grant lady at Federal Student Aid. I am very happy today to be joined for this session by some outstanding friends and colleagues from the student aid community as well as my colleague from the office of postsecondary education, Sophia McArdle. I am sure you heard from Sophia and heard about Sophia. She has been very actively involved and the public face on the ACG and National SMART policy issues and questions since their inception a number of years ago. We were there at its birth and will be there at its death.

Okay. And then I am also joined today by, as I said, our colleagues, Linda Sigh from Michigan State University. Linda is an associate director at Michigan State University and when I asked for their biographies, Linda didn't send the biography because I think she thinks I know more about her than I probably should say. I have the distinct privilege of Linda having been my very best hiring decision ever when I was at Michigan State University. I hired Linda many, many years ago and Linda actually eventually stepped into the position when I left to move to Washington, so I know Linda very well. Linda has got a son named Marcus whom I have known since he was a little tiny tike and now he is a married man and we are very proud of Marcus. Michigan State University has an outstanding program and has managed to somehow navigate and participate very actively in both the ACG and National SMART programs from its beginning.

Our other presenter today who will be talking about her campus is well known to a lot of folks; Crusie Lucero is the director of financial aid at Northeast State Technical Community College. She has been there for 11 years, right? And then prior to that had been in Walters State Community College for 12 years, but she also has prior to that worked in private and proprietary sector, so she knows the administrative complications of all those sectors. Crusie has two sons and five grandchildren. She loves to cook and she has been very active in our national and state associations, so we are just delighted to have both Linda and Crusie sharing how they manage these programs on their campuses.

A little bit of background about why we are doing this session. The government accountability office issued a report this past spring entitled, "Recent changes to eligibility requirements and additional efforts to promote awareness could increase academic competitiveness grant and national SMART grant participation." This information was based on their field work at schools, so this is a very different approach. They weren't out to audit, they weren't out to look at what schools were doing from a compliance standpoint, but they were looking at what were the barriers to participation at the campus level in the ACG and National SMART programs. They also of course interviewed folks at the department as well and one of their conclusions was that we have had some additional changes based on legislation, and Sophia is going to focus



on the changes to the legislation that have enabled us to expand the potential pool of eligible students for these programs. But that in addition to that, it was a real thought on the part of GAO and they wrote this up and encouraged the department to have these sessions for people to be able to describe how they best implemented these programs given the unique characteristics of their student body and their campuses, and so we were honored today to offer this session but not so much as telling you what to do but as an opportunity for you to share with us and with your colleagues what are the ways that you can maximize participation in these programs. We know fully well that these programs end with the 2010-2011 award year but in the meantime they are significant grant funds to needy students and we hope that we can see a real increase in participation in both the 2009-2010 award year and the 2010-2011 award year for our needy students.

So with that in mind, I am going to open this up. I believe Sophia is going to go first to set the tone of what has been done from a legislative and regulatory standpoint to expand participation. She will be followed by Crusie and then by Linda who will discuss how they manage these programs on their campuses. Thank you. (You were afraid I was going to do that.)

**[SOPHIA MCARDLE:]** Good afternoon everybody. Thank you for coming to this session. This is, as you know, the only session that we are presenting related to the ACG and National SMART grant programs, and I admit that I was a little bit concerned when I saw that the additional two Pells in an award year session, aka the Federal Pell Grant Update was added against the session I thought, oh no. All you have to do is look around the room and you can see that we are very, very well attended so I think my fears are for naught.

As you know, the Higher Education Opportunity Act and the ECASLA (Ensuring Continued Access to Student Loans Act) made certain changes to the ACG and National SMART grant programs that may expand opportunities for students to actually qualify for these programs. In response to this legislation, we published on May 1, 2009, interim final regulations which became effective July 1, 2009, for the 2009-2010 award year. We did receive a few comments and some of those comments did include the need to clarify the eligibility of certificate programs to be degree-granting institutions only. We will come back to that in a little bit. And now as you know, we have final regulations. Naturally, the way this would work, the final regulations came out after this PowerPoint was due to be submitted so you do not have a slide that indicates that we now have final regulations. Rest assured, however, that on November 23 we did publish the final regulations in the federal register, a copy of which has just been shown by Kathy. These will be effective as of January 22, 2010. We are not subject for this particular set of regulations to the master calendar so we did have that flexibility.

Further as Kathy had earlier noted, this session is supposed to be focused in such a manner so that we can comply with the GAO's requirements and therefore, what this particular session will do will be to highlight the regulatory changes that may impact the barriers for student participation by increasing the number of eligible students and



programs for both of these programs. One of the biggest changes that occurred as a result of the new legislation and one which I think pretty much universally was wanted, was the change from academic year progression to grade level progression in these programs. So now the title for academic year or weeks of instructional time are no longer used in determining where a student is in the ACG and National SMART grant program and instead we are using the grade level progression, and year refers to grade level in the eligible program as determined by the institution.

Furthermore, in determining the grade level progression you only should be using only the credit or clock hours credited toward completing the eligible program and that will include advanced placement, international baccalaureate, testing out, life experience, or other similar competency measures. So just keep that in the back of your mind for a little bit because we are going to come back to that. It must be for the same year as that used for the FFEL and Direct Loan annual loan limits. You must use the student's grade level at the start of the payment period. That means that you cannot be advancing the student's grade level during the payment period and for the award year 09-10 you must use the student's current grade level to determine the student's year. So whatever their placement happened to be under the academic year requirements in the prior years, that is not the concern any more. Now you are just simply looking to determine what the student's current grade level is for this program.

In relationship to student eligibility, we had a number of changes. Eligible noncitizens are now eligible for both ACG and National SMART grants. Students enrolled at least half time are also now eligible. In that case we have that situation, the payments will be calculated based on annual award amounts just the same as part-time students in the Pell program, and correspondence study becomes eligible now. Furthermore, certificate and diploma programs are now eligible. So, to be eligible for a first-year ACG award, a student would have to be enrolled in a certificate or diploma undergraduate program that is at least one academic year in length and offered at a two- or four-year degree granting school. Going back to what we were saying earlier about the final regulations, this was a clarification that we made in the final regulations; however, this language is statutory so it already did exist in the statute but was still felt it was important enough to make that clarification since we did get the comment on it.

Similarly, were a second-year ACG award to be eligible a student would have to be enrolled in a certificate or diploma undergraduate program at least two academic years in length offered at a two- or four-year degree-granting school, and again we made that similar clarification for the second-year ACG award as related to that. There is also a change in the prior enrolment for ACG. There is a restriction that had been impacted and for our first-year students the prior enrollment restriction does not apply to students who are enrolled in post secondary education as part of dual enrollment program or transfer students. Possibly one of the bigger changes that occurred in relationship to the program considered rigorous secondary school programs of study. One of the things about that is that although there was a change made to it, the previously recognized programs of study continue to remain eligible. So, a curriculum that was recognized by the secretary after January 1, 2005, and here is an error, it should be



before July 1, 2009, not 10, it should be 1, will continue to be considered rigorous. Just as a reminder, this would have included any of the state-designated programs, which were those that were submitted by the state and they were recognized by the secretary, the advanced honors program established by state and in existence for the 2004-05 year or 2005-06 year and the state scholar initiative.

Furthermore, the completion of at least two advanced placement courses with a passing test score of 3 for those courses or the two International Baccalaureate courses with a test score of 4 for those courses; and finally the recognized set of course work in regulation; the four years of English, three years of math, two of which were algebra 1 and above, three years of science, two of which must be one each of biology, chemistry or physics; three years of social studies; and one year of a language other than English. However, here is where the change comes in. All of that remains in place for all those students, but effective July 1, 2009, new rigorous programs will simply be submitted by designated state official and accepted by the secretary. So if the state says it's rigorous, it's rigorous. End of story. We will not question it in any way. So there is no more recognition by the secretary of these programs.

In relationship to grade point average and second-year eligibility for the ACG, the GPA of 3.0 is still required at the end of the first year. So, if you end up in a situation where you have a sophomore, a student who becomes a sophomore whose status becomes that way solely because of AP or IB credits, they have no GPA. That means they will not be eligible. That was one of the things I had asked you to just keep in mind. However, if they are a sophomore solely due to dual enrollment credits, they have grades and therefore they might be eligible; and similarly, if they are a sophomore due to a combination of AP or IB credits and dual enrollment credits, you will again have the situation where you have dual enrollment credit grades; therefore, a student could be eligible. The bottom line here is that it would be basically a case-by-case basis when you have these students, but you do have, unfortunately, the one situation where there is no GPA and we were unable to kind of come up with a way to make that situation work based on the law.

Just real briefly before we turn to the National SMART grant program, in reviewing self-identified applicants, students who apply for aid via FAFSA on the web, or FAA access to CPS online will be screened for potential eligibility and will have the option to provide the ACG information. Paper FAFSA filers who are potentially eligible will receive a comment on their SAR directing them to provide information to the Federal Student Aid Information Center over the phone and then the self-identification results from CPS will be sent as comments to the school on the student's ISIR or to the student on the SAR and then a special flat file is sent to the schools containing ACG self-identification responses. This is all stuff that you are already familiar with.

There are also significant changes as related to increasing participation for students as related to the National SMART grant program. Probably the one that most people are very interested in when they heard about it first of all was the Third Scheduled Award for the fifth year of a five-year degree program. I think there was initially some confusion



about that because people were hoping, I think, that it really meant students that took five years to complete any program rather than just for the fifth-year program, but it really is for a program that has to have five full undergraduate years of course work that have to be completed and this has to be certified by an appropriate institutional official and documented as such. It's not applicable to the liberal arts major, which was another category of program that we are allowing, and we will talk about it in a minute, and the programs do have to contain not less than 24 semester hours, 36 quarter hours, or 900 clock hours in each year of the program. So there is a very specific case for which you can get a fifth-year award.

Now for a program that has less than five full years of course work for program completion, we extended the fourth year of eligibility from the start of the fourth year to the program completion and for a program with at least five full years of course work for the program to be completed we did extend the fifth year of eligibility to be from the start of the fifth year to program completion. So we did try to create that flexibility as well for students. Finally, while you must still continue to document that a student is progressing in their program of study who no longer are required to document that at least one course in the major for each payment period. There was a little bit of confusion about this. People thought didn't have to document anything. You have to document the actual progress in the actual program but just not that one course in the specific major. So that was another change we made.

Dear Colleague Letter GEN-09-09 issued on July 7, 2009, did list the eligible SMART majors for the 2009-2010 award year. We did have some changes associated with that. One of the things that happened was that earlier in the year in GEN-09-03 we had invited institutions to submit for again additional eligible majors and what happened was that because of the change in the law there is a new category called the liberal arts curriculum as an eligible major that was one of the new areas that schools could submit for. To be eligible to be a liberal arts curriculum as an eligible major it has to be a bachelor's degree offered prior to February 8, 2006, and it has to be the only curriculum at the institution, and furthermore, it has to have requirements that are at least equal to the requirements identified for a SMART eligible major at an institution offering a bachelor's degree in that major or requires the student to undertake rigorous course of study in math, biology, chemistry, and physics with at least four years of math, at least three years of sciences with a laboratory in each of those areas. It cannot be a five-year program, and again requires its departmental approval.

We did in fact approve three new programs under the liberal arts curriculum provision. I have got here on this slide a website that will take you to all the new eligible majors for the 2009-2010 award year in GEN-09-09. I did want to mention that the other thing that is kind of major there is that we did open up the critical languages that includes virtually all of them with just a couple of exceptions now and that actually significantly increased student numbers because it did add languages like Spanish, French, German. Also the other website here is to GEN-09-03 and that is the invitation to schools to actually submit for additional eligible majors and it does delineate the process by which we go through for whether it's a new liberal arts curriculum or whether it's just a different



eligible major. There was a change to the zip codes coming out and so we may add additional codes later on for new existing majors that may fit, but that's way off in the future, not that way off because program funding for ACG and National SMART grant programs will end at the end of the 2010-2011 award year. So, yay for that; I know, everybody is just delighted to hear about that. However, in the interim we do have the situation so where we do have this extra money to provide to students who really need it and our distinguished panelists will share with us some of the ways in which they have discovered has been very helpful to them in determining strategies for overcoming barriers preventing their schools from maximizing student participating. So with that I would like to turn the floor over to Crusie.

**[CRUSIE LUCERO:]** Hello everyone. Can you hear me? I hate to say it this way, but they had to turn me on before I could start. Welcome everyone to my home state. I am from Tennessee and have been here for a long time. I was born in the southwest but this is my home; I have been here longer than I was ever in Santa Fe area. And Northeast State has recently dropped its technical from their name. We are now Northeast State Community College and that was official just a couple of months ago. So, we are happy for that. But to tell you a little bit about my school, we are situated about 15 miles from Bristol, Virginia, about 65-70 miles from Ashfield, North Carolina, so as you can tell we are way up in the corner. We are about 100 miles east of Knoxville and about 300 miles from here, so even though this is my home state, but because it is such a long state, kind of that's the other way.

We have over this fall landed up with over 6300 students and we have about a 67% of our student body on some form of financial aid or some of these could be fee waivers, merit scholarships, not necessarily all federal aid, but we do have a large percentage of our students on some form of aid. First and foremost, how did I go about implementing ACG at our school, because of course since we are a community college I do not do the SMART program. But first of all, we had already established an excellent rapport with our admission office. Of course I have to admit that they work so closely with us that every Christmas I do supply them with a couple of bags of chocolate. You know what, things like that actually work; I don't know, not necessarily, but we do have an excellent rapport. But when it was first established I thought, oh you know, we get along with the admissions office, this is just going to be a snap, it's no big deal right?

Well I thought the smart thing to do was do it as electronically as possible. I sent them a flat file of the ACG potentially eligible students for them to look at and review and then tell me whether they are eligible as far as the rigorous program of study. That first year we had seven students on ACG. Does that tell you anything? So much for my excellent rapport, right? It took a while. I ended up calling on the vice president for enrollment services, set up a meeting with him, our dean of admission, and our registrar, and requested, actually begged for their assistance. In implementing these regulations, I really needed their help in order for students to get more money to come to our school. After all, it's going to help our retention rate if they have more money to stay in there, right? Whether they bought that or not, they went ahead and decided that maybe they could help me. What I did is I showed them the website where they could



look up the states; you know there are rigorous secondary programs of study which basically go along with what the federal regulations say, but that kind of made what I said a little bit better than just, you know, telling them that this was there. But I did share with them some of the regulations and what we needed to do. Well, after we met, they decided they would devise a way to try and help me. Of course, at first they had thought that maybe they could give me copies of the transcripts and let financial aid review them. Well I convinced them that financial aid really, and we really don't have any business handling those academic transcripts in our office. We don't. And so they agreed that that was true. We really shouldn't and maybe I should have been insulted, but I wasn't, I was very happy about that. And so we devised a form that I think is in a handout that Kathy has if you are interested in getting one after this session.

**[WICKS:]** We did have it with some of these handouts at the back of the room for people to take upon leaving. Some people were taking them on coming in, so if when you leave you would like to see some of these handouts, please feel free to help yourself to anything that is there. If it's not there, just leave a note back there with your email and I will see that you get them. Thank you.

**[LUCERO:]** Thank you, Kathy. But, it's a very simply way. Sometimes I get paper galore. When they review the academic transcripts of incoming freshman, or even incoming sophomores and transfer students, they send this form to my office. I have a person in my office who screens those for some of the requirements, then I get them and pass them on to the person who does the awarding of the ACG grant. We ended up with a lot more students that way. It's still rather manual. We would like to automate it and I think we can, but the admissions office did go ahead and populate on Banner. The screen, what is it, ROAHSDT. They populate in most of that screen for us to make it easier for us to know that those students were eligible. But, I would like to have it a lot more automated than getting those paper forms in my office. But we were successful enough so that when I reported it on my FISAP, I got this note that popped up that said 'please explain why your numbers are so much higher than the prior year.' I was happy for that explanation, it was new to us, and we have gotten a lot better at doing what we do. And again, you know, would I like to automate that? Absolutely. But for the moment this is working for use, and of course we are small, so for a small school that works. I am going to turn it up onto Linda here and she will tell about the big story.

**[LINDA SIGH:]** Good afternoon everyone. I am Linda Sigh from Michigan State University. We are a four-year public. Our undergraduate population is 30-some thousand. Can you hear me in the back? Alright, sorry, thanks. We are a four-year public university. Our undergraduate population is 30-some thousand and then we also have graduate medical schools. I want to focus on the collaborative effort that went into making ACG and SMART work at Michigan State University and that took four offices; our office of admission of course does the review of all the transcripts for the incoming students; our office of planning and budget is the office on our campus, they are the keeper of all data academic and financial and they help us match our majors with the eligible CIP codes for SMART grant. The registrar's office was involved with grade points and grade levels and that period of time where we had to look for one eligible



course in the major for SMART, they were doing that part for us. And then of course our office of financial aid, we monitor and award ACG and SMART grant.

Now when first brought up ACG we got a little bit of bulk of hesitation from our office of admissions, mostly because they were not in the habit of collecting final transcripts. They are already admitting for fall of 2001. They are doing admits based on sometimes six or seven semester transcripts and only collecting the final transcript on occasion when somebody was on the borderline. For ACG that wasn't going to work because we were using the feds definition of a rigorous program of study and you needed four years of, you know certain subjects, so we said no we are going to need the final transcript. And they hesitated, did not want to do that, you know it was too much work, but we are part of an enrollment services module also at Michigan State. Our office of admissions, financial aid, and our registrars office and as soon as we were able to show them, and I will talk about our numbers in a minute, how much money was actually going to come into the university for our needy students, they really didn't have a choice in the matter any more. They needed to jump onboard and do this for us and, you know, what Jeff this morning, you know just think about this; this is free money for needy students so just pony up and do it, and that is basically what we ended up agreeing to back four years ago or whenever ACG first came about.

So we do something similar to what Crusie mentioned but it's a teeny bit more automated just because we are bigger and we couldn't handle forms as well. What we do in our offices, we create a web database of all our Pell eligible incoming freshman and that web database then, our admission office can access that database and go in and just report on that database at the student level whether they have a final transcript, whether they have a preliminary transcript, whether the student has IB or AP courses, and then make the determination. Sometimes the determination is on a preliminary transcript and sometimes it's on the final, but this database is constantly being updated throughout the year. We are adding more students to the database as we get in more transcripts for incoming freshman. They are constantly updating it as they are reviewing transcripts and indicating the student's eligibility or whatever. So they are using that, and we can go in at any time on this database and run reports. We can see how many of our students still haven't turned in final transcripts, how many have been declared ineligible or whatever, so we can constantly monitor that and see how we need to take action.

So, let's just say we do our first loading of this database sometime in May and at that point they will report back to us whether they have final transcripts and in most cases they don't. We will send out email messages to all our incoming freshman that appear to Pell eligible and eligible for ACG perhaps, that they need to get their final transcript in to Michigan State so that they can be considered for ACG. We do that before the high school year closes so that they can just ask their high school office to send the final transcript to us. Otherwise, like I said we weren't selecting final transcripts and still don't really get it for our non Pell eligible students. And we will do that throughout the summer as we report using this database as to whether we still need a final transcript from our Pell eligible population. If we have a preliminary transcript but it appears they



are on target to be eligible for it, we will put a preliminary ACG award in the student's package, sort of as a place holder. So just another reminder to the student, you know, you need to get that final transcript in because here is an award that you could get once we have that final transcript and can verify the eligibility.

So that's just pretty much constantly running. The heavy time of course is June and July, and it actually works out because our admissions officers are not on the road during that time, so you know they do have time, although they'll tell you that they don't, they do have time to look at the transcripts and that is when the bulk of them come in anyhow, right after the high school year ends.

So just to give you some numbers at Michigan State for fall 2008 we had 7159 new freshman for fall 2008; 1376 or 19% of them were Pell eligible, 1328 of them met the high school academic criteria, rigorous high school; and 1201 of them ended up receiving the first year ACG in 2008-2009. That's \$876,000 just for ACG-1. I mean, our admissions office couldn't argue that this was work that they needed to do when we could bring in this much money for needy students at our school. For fall 2009 at this point in time we have already passed year end of 2008-2009 and we are seeing a 25% increase already, kind of in keeping with our Pell population going up, but that's just more argument that our admissions office needs to collaborating with us on this because it's bringing in so many extra dollars to our needy students. And so basically that's how we work ACG at Michigan State.

SMART is just a lot simpler. Once we have that list of eligible majors from our office of planning and budget, we then use our own programming to match our Pell eligible juniors and seniors with the right grade point average to the eligible majors and at that point do the awarding. It runs pretty smoothly. We in house can take care of all of it. We use the registrar's office grade point and grade level information, but it's a pretty smooth operation and it's not actually as complicated as ACG and of course bringing in larger awards. We had 6400 juniors and seniors and eligible majors last year. Close to 1100 of them were Pell eligible and 450 of them ended up receiving the SMART grant because they had eligible grade point averages, for a total of 1.3 million dollars. And for 2009-2010 we are seeing a 25% increase just like we did with the ACG and just like what is happening with our Pell grant but, you know, its been very successful at Michigan State, it does take extra work, but the dollars that we are bringing in for our needy students is really the final argument and it makes it all worthwhile. Thank you.

**[WICKS:]** Thank you Linda, Crusie, and Sophia for adding to our information about the possibilities for participating in these programs. And we have plenty of time, we were hoping that you might have some questions for our panelists or might have some ideas or suggestions of things that you have worked out on your campuses, so if any of you would like to rise to any of that please feel free to do so. It's a big room, it's a little cavernous. We have a microphone here. I guess we can walk around with this one if necessary. Anyone want to add to our success stories or perhaps describe some nightmares you have? Maybe you need to do a little more baking or get more chocolate. Yes?



**[AUDIENCE:]** I have 2 questions. One relates to those students who enter our institution with 30 or more AP or IB credits that is as second-year students. We were originally told as in, you know probably the 2006 conference, that these students would not be eligible for ACG-2 with their first term because they didn't have a GPA but that we could use their first-term GPA to establish whether they were eligible their second term. Now it sounds like we can no longer do that.

**[MCARDLE:]** In relationship to these interim final regulations, because of the fact that we don't have any recognized equivalency for grades for either AP testing or course work because the course work is done as secondary as opposed to a post-secondary level, the same with IB, we don't have an equivalency for that. So that basically bottoms out that there is no equivalency which means they don't have a GPA. I don't recall us ever providing guidance in relationship to that saying that they could establish it at a later point because the law specifically indicates that it has to be originally at the end of the first academic year and now that becomes at the end of the first year. So at the end of their freshman year. So I am not sure where that guidance came from, but I don't recall us ever having issued that for either.

**[AUDIENCE:]** It did come from a Department of Ed representative at the 2006 conference and I know that I am not the only one who heard it that way because I know of several other schools who are doing it that way. But we can stop.

**[MCARDLE:]** Yes, I think that would be a good idea.

**[AUDIENCE:]** Okay. Second question. I heard earlier at this conference that our definition of academic year needs to be consistent to cross all types of Title IV aid and we currently define our academic year as 30 credits because that's what worked out best for us for ACG/SMART but now with the new Pell regulations we would like to change that definition to 24 credits so we can get our kids more Pell. Is there any problem with changing our definition of academic year from 30 to 24 at this point in time? Since for all practical purposes we are not really looking at credits for ACG/SMART any more, we are looking at grade level.

**[MCARDLE:]** For as far as ACG is concerned, it's not an issue because it will be whatever the student's year in terms of grade level is.

**[AUDIENCE:]** So we can just take our policy and say effective this year we are changing our academic year from 30 to 24 credits.

**[MCARDLE:]** Right. It won't be related to the ACGs.

**[AUDIENCE ]** [ Inaudible ] and if your school defines a sophomore as 30 credits, it would have to be 30 credits, but it is 24 [ Inaudible ].



**[MCARDLE:]** But if the academic year definition is different than that, that is okay. Right. No, you are fine. Yes ma'am.

**[AUDIENCE:]** This is to do with the SMART grant. We determine our grade progression by a student with 60-89 credits is a junior and from 90-120 credits is a senior. Now its very possible that within an award payment in an award year with a grade level changes and we also could cross over Pell so that I can have someone have a SMART-3 for spring 2009 and in fall 2009 is now considered a senior and they will have a SMART-3 grant for lets say winter 2009 and now spring 2009 has the next SMART-3 grant and now in fall 2009 which is in the 2009-2010 award year will go into a SMART-4 grant. So am I going to have a problem with that? Because the grade level is changing within the award period.

**[MCARDLE:]** There will be winners and losers under this new scenario. So if your student who is now a senior by your definition, they are only eligible for SMART-4. Your student who is a junior by your definition is only eligible for a SMART-3. So sometimes they will be able to get the next awards, so a previous academic 2 who is now a junior can get a SMART but they can also go backwards and then not get something until they catch up to be eligible again.

**[AUDIENCE:]** So in other words, in this case the person would not be able to get that SMART grant in the fall, the SMART-4 in the fall, and would have to wait until...

**[MCARDLE:]** Until they are a senior. They have to be...

**[AUDIENCE:]** Even though now we have the two Pell award years?

**[MCARDLE:]** They are not connected.

**[AUDIENCE:]** So now in that case you are depriving a student of \$2000 and in our school that means a student doesn't have to take a loan. So instead of increasing access you are decreasing access.

**[MCARDLE:]** For a temporary point in time until they catch up with the credit because then they will get all of it on that end.

**[AUDIENCE:]** Yeah, but then they may end up, they are going to be cheated out of one semester because now lets say they are going to be graduating in winter 2010 so they couldn't get it in fall 2009, now they are going to be graduating in winter 2010 and they only get one 2000 grant instead of 4000.

**[MCARDLE:]** That is possible to happen to some students but in general we felt that it would be a catch-up situation because you do have to complete a senior year that you would eventually catch up back to that sequence.



**[AUDIENCE:]** But you're not catching up, you are losing out. In this student, and I have a lot of students in this situation, they are losing out and their losing out now means they have to take a loan that they did not have to take before and in many cases it may be an unsubsidized loan that they did not have to take before, so that may be an unintended consequence that's hurting students rather than helping.

**[MCARDLE:]** It may be an unintended consequence of the change in legislation.

**[AUDIENCE:]** Hi. I have a question about programs that are greater than one academic year but less than a full second academic year in more the mod-based programming. Our second academic year is just made up of an externship, which is 6 credits at 6 weeks making it a nonstandard term program. Would the students be eligible for ACG-2 because they are technically a second year in that term that they are going to be in the externship and how would we calculate the award. Would we just give them a regular full award since they are considered full time for enrollment status purposes, so do they get the full award for that one term or does it have to be prorated?

**[MCARDLE:]** Basically if you do not have a two-year program then the student is only eligible for an ACG loan.

**[AUDIENCE:]** Okay. Thank you.

**[AUDIENCE:]** I have a question about eligibility for schools with branch campuses. ECAR, whether it's based on what is on the school's ECAR. Specifically, considering that we may have, or we do have schools and states that offer or allow proprietary schools to have associate degree programs or two-year programs. The main campus is actually in a state that does not allow a proprietary school to have an associate degree program. So, but it is on the ECAR that we offer the associate degree programs. So are those students in those states that are attending the schools in those states that do not allow associate degree programs, are those students eligible for ACG and do we have to check their eligibility because they are on the ECAR because there is a program on the ECAR for another state.

**[LUCERO:]** My understanding is that the eligibility is resident with the main campus so the fact that the highest level of offering for that institution is an associate degree level or above then they would be eligible.

**[AUDIENCE:]** Okay. Even though the main campus is in a state it doesn't allow.

**[LUCERO:]** If we are now talking about the program offering to have with the department of education is the highest degree offering of that institution and so that is why an associate degree is allowed for at least part of those campuses. Is that right?

**[AUDIENCE:]** Okay. So the students in certificate and diploma programs in the main campus would be eligible.



**[LUCERO:]** That is correct.

**[AUDIENCE:]** Okay, thank you.

**[MCARDLE:]** Yes?

**[AUDIENCE:]** Speaking of best practices, I am curious as to how you document now that students are progressing toward their degree. I mean, in the past PeopleSoft and they had disbursement rule that looked for that one course in the eligible major and now that we are not required to that I am just kind of curious how you are documenting their progression.

**[MCARDLE:]** Well I would be following the institutional policy of the school but in general when you are looking at any program it is going to have requirements, whatever that program is. So as long as the student is progressing and meeting the program requirements of the SMART eligible program in whatever sequencing they do that, that would be fine and you can still use just even the student transcripts to do that.

**[AUDIENCE:]** Okay. Thank you.

**[MCARDLE:]** Sure. Yes sir?

**[AUDIENCE:]** Hi. I have a question about ACG for students at my school who enter as second semester freshman. Technically because of AP process would they only be eligible for the first year amount for both of the first two semesters or would they be eligible for the sophomore amount during the springtime.

**[MCARDLE:]** What would most likely happen, if they are coming in as a second semester freshman that means they are still not at the end of their freshman year, so they have an opportunity to earn grades at your institution. So whatever their GPA is at the end of their freshman year would be the operative GPA for determining that second year ACG. So in this case they would be lucky that they have that.

**[AUDIENCE:]** Okay. Well, their freshman year would technically end at the end of their first semester.

**[MCARDLE:]** That's okay.

**[AUDIENCE:]** Okay. Thank you.

**[MCARDLE:]** Yes ma'am.

**[AUDIENCE:]** Hi. I had a student this summer at the end of their freshman year they had the 3.0 GPA, they took summer classes and did not do well, and their GPA dropped below the 3.0. Because they had 3.0 at the end of their first year, they are still eligible for ACG-2?



**[MCARDLE:]** Correct. If they are otherwise eligible. Right.

**[AUDIENCE:]** Right. What if the situation was reversed and at the end of their freshman year they didn't have the 3.0, they took summer classes and they brought it up before they started their sophomore year?

**[MCARDLE:]** It would not help them because it's a snapshot, its different than SMART which is the continual you can regain eligibility based on GPA. With ACG it's all or nothing essentially. Either make that GPA at the end of their freshman year, or you don't.

**[AUDIENCE:]** Okay. That was the assumption we made. Thank you.

**[MCARDLE:]** You're welcome.

**[AUDIENCE:]** Two questions. I think you may have slid into them with the last guy. Has there been any change in the rules for people who transfer in with credits from other colleges? Do we still have to calculate in the grade value to our own QPA to figure out what the QPA is?

**[MCARDLE:]** There has been no change to that part.

**[AUDIENCE:]** Bummer. And the grade level, is it okay if the student is say a junior at the beginning of the fall semester and then they become a senior at the beginning of the spring semester, do we do it sort of semester by semester?

**[MCARDLE:]** If that's how your school has that semester, the student would be eligible as a junior for a third year ACG, I mean a SMART one, the junior SMART, and then when they become a senior they would be eligible for the SMART-2, the senior SMART.

**[AUDIENCE:]** Okay. Thanks.

**[MCARDLE:]** Okay. Well thank you all for coming to our session, our one and only, and we shall see what interesting turns the program takes as we continue toward the sunset.