

Archived Information

Department of Education

ACADEMIC COMPETITIVENESS GRANTS AND SMART GRANTS OVERVIEW

Fiscal Year 2008 Budget Request

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DEPARTMENT OF EDUCATION FISCAL YEAR 2008 PRESIDENT'S REQUEST

(in thousands of dollars)							
<u>Account, Program, and Activity</u>	<u>Category Code</u>	<u>2006 Appropriation</u>	<u>2007 Current Estimate</u>	<u>2008 President's Request</u>	<u>2008 President's Request Compared to 2007 Current Level</u>		
					<u>Amount</u>	<u>Percent</u>	
Academic Competitiveness							
1. Academic competitiveness and SMART grants (HEA IV, subpart 1, section 401A)	M	790,000	850,000	920,000	70,000	8.2%	
2. Modified academic competitiveness grants (proposed legislation)	M	0	0	260,000	260,000	---	
Total	M	790,000	850,000	1,180,000	330,000	38.8%	
		Recipients (in thousands)	480	579	755	176	30.4%
<i>Outlays</i>	<i>M</i>	43,960	866,545	843,032	(23,513)	-2.7%	

2007 BASED ON CONTINUING RESOLUTION (P.L. 109-289) THROUGH 02-15-07

ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

Academic Competitiveness Grants and SMART Grants

(Higher Education Act of 1965, Title IV, Part A, Subpart 1, Section 401A)

FY 2008 Authorization (\$000s): \$920,000

Budget Authority (\$000s):

	<u>2007</u>	<u>2008</u>	<u>Change</u>
Program funds	\$850,000	\$1,180,000 ¹	+\$330,000

¹ The program is authorized in FY 2008; however, additional authorizing language is sought.

PROGRAM DESCRIPTION

The Academic Competitiveness Grant Program—created by the Higher Education Reconciliation Act of 2005—awards need-based Academic Competitiveness Grants to first- and second-year undergraduates who completed a rigorous high school curriculum, and National Science and Mathematics Access to Retain Talent (SMART) Grants to third- and fourth-year undergraduates majoring in certain technical fields or foreign languages deemed vital to national security.

To be eligible for either grant, a student must be a United States citizen, enrolled full time, and eligible for a Federal Pell Grant. A first-year undergraduate is also required to be a first-time undergraduate, enrolled or accepted for enrollment in a 2- or 4-year degree-granting institution, and have completed, after January 1, 2006, a rigorous secondary school program. A second-year undergraduate at such an institution is required to have completed such a rigorous program after January 1, 2005, and to have obtained a cumulative grade-point-average (GPA) of at least 3.0 in the first academic year as an undergraduate. The Secretary of Education is required to recognize at least one rigorous program of study in each State.

Third- and fourth-year undergraduates are required to pursue a major in physical, life, or computer sciences, mathematics, technology, engineering or a critical foreign language, and obtain a cumulative GPA of at least 3.0 in the coursework required for the major being pursued. Critical foreign languages are determined by the Secretary of Education in consultation with the Director of National Intelligence. For the 2006-2007 academic year, critical languages include Chinese, Japanese, Korean, Russian, Arabic, Iranian/Persian, Hebrew, Turkish, and a variety of African and central and east Asian languages.

Maximum awards of \$750 are awarded to first-year undergraduate students, \$1,300 to a second-year undergraduate, and \$4,000 to third- and fourth-year undergraduates, except that these grants, in combination with the Federal Pell Grant and other student financial assistance cannot exceed a student's cost of attendance. A student may only receive one grant for each of the first through fourth years of undergraduate education, and only for a year for which the student received credit after the date of enactment.

ACADEMIC COMPETITIVENESS AND SMART GRANTS OVERVIEW

The Higher Education Reconciliation Act provides \$850 million in mandatory funding to support this program in FY 2007. If funding provided for a given fiscal year exceeds the amount needed to make grants in that year, excess funding could be carried forward for use in future fiscal years. If funding for a given year is insufficient to provide grants to all eligible students, grant amounts for that year would be ratably reduced. Annual appropriation levels included in the Higher Education Reconciliation Act are \$920 million for fiscal year 2008, \$960 million for fiscal year 2009, and \$1,010 million for fiscal year 2010.

Congress provided that ACG/SMART Grants sunset at the end of academic year 2010-2011. The Administration supports these new programs, which began operation July 1, 2006; evaluations and PART reviews will be analyzed before requesting an extension beyond 2011.

FY 2008 BUDGET REQUEST

The Budget includes \$1,180 million in 2008 to increase grant levels by 50 percent for students completing a challenging course of study in high school. These substantially higher awards will encourage States and local school districts to raise their standards and improve the quality of their course offerings. They will also encourage students to graduate on time and complete the challenging classes necessary to ensure postsecondary success. The FY 2008 budget request for this program is best understood in the context of the Administration's proposals for the student aid programs as a whole. Accordingly, program-specific funding information and policy proposals are discussed in the **Student Aid Overview** beginning on page N-1. The following tables show program information consistent with requested funding levels.

PROGRAM OUTPUT MEASURES (\$000s)

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Academic Competitiveness Grants			
Recipients	400,000	497,000	662,000
Aid available to students	\$340,000	\$420,000	\$830,000
Maximum grant (in whole \$)			
First-year student	\$750	\$750	\$1,125
Second-year student	\$1,300	\$1,300	\$1,950
Average grant (in whole \$)	\$850	\$845	\$1,254
SMART Grants			
Recipients	80,000	82,000	93,000
Aid available to students	\$310,000	\$310,000	\$350,000
Maximum grant (in whole \$)	\$4,000	\$4,000	\$4,000
Average grant (in whole \$)	\$3,875	\$3,780	\$3,763