



Highlights of [GAO-09-343](#), a report to congressional requesters

Why GAO Did This Study

The Academic Competitiveness (AC) and National Science and Mathematics Access to Retain Talent (SMART) Grants were established by the Deficit Reduction Act of 2005. The grants provide merit-based financial aid to certain low-income college students eligible for Federal Pell Grants and are administered by the Department of Education (Education). In the first year of implementation, participation was lower than expected. GAO was asked to determine (1) factors affecting AC and SMART Grant student participation; (2) challenges colleges face in administering the grant programs; and (3) the extent to which Education has assisted states and colleges with implementation. To address these objectives, GAO analyzed data on AC, SMART, and Pell Grants, and interviewed officials from Education and 12 state education agencies, administrators from 42 selected colleges, and several national associations.

What GAO Recommends

GAO recommends that Education (1) develop a strategy to increase awareness of these grant programs among states and high schools, and (2) use existing forums to facilitate the sharing of effective practices among states and colleges to help mitigate some of the administrative challenges of verifying the grants' requirements. Education agreed with these recommendations.

To view the full product, including the scope and methodology, click on [GAO-09-343](#). For more information, contact George Scott at (202) 512-7215 or scottg@gao.gov.

FEDERAL STUDENT AID

Recent Changes to Eligibility Requirements and Additional Efforts to Promote Awareness Could Increase Academic Competitiveness and SMART Grant Participation

What GAO Found

Student participation in the AC and SMART Grant programs was affected by eligibility requirements and a short implementation time line, though participation rates varied somewhat depending on characteristics of states and colleges. Unlike most other federal financial aid programs, to be eligible for these grants, students must demonstrate both financial need and academic merit and meet additional requirements such as U.S. citizenship and full-time enrollment. According to financial aid administrators GAO interviewed, the requirement to complete a rigorous program of study in high school was one of the biggest barriers to AC Grant participation, while Education's requirement to take at least one course each semester in the student's SMART-eligible major, such as science, technology, and math, was the biggest barrier to SMART Grant participation. A relatively short implementation time line also affected some colleges' ability to identify eligible students. Administrators expect that recent legislative changes taking effect in July 2009 will expand eligibility and thus increase participation in both grant programs.

Financial aid administrators reported that certain AC and SMART Grant eligibility requirements were difficult to verify. For AC Grants, the most challenging requirement to verify was that students completed a rigorous program of study in high school. To verify this requirement, administrators generally had to manually review transcripts to ensure the courses taken aligned with one of several rigorous programs recognized by Education. For SMART Grants, Education's requirement that students take one course in their SMART-eligible major each semester was often cited as challenging for administrators to verify and entailed reliance on other academic departments. In addition, for both programs, many administrators said that it was difficult to determine if students were enrolled in an appropriate academic year to qualify for the grant programs. While recent legislation will change several eligibility requirements, these modifications are unlikely to address administrators' most difficult task of verifying rigor. Thus, some administrators expect their workload to increase as more students will need to be reviewed for grant eligibility.

Education has provided guidance and training to colleges to help them implement the AC and SMART Grant programs, but outreach to promote awareness of the grants to state education agencies, high schools, and students has been limited. Only a few state officials GAO interviewed reported that they were provided with information or promotional materials about the grant programs. Many college financial aid administrators reported that they found Education's assistance useful and responsive to their needs, but some said that more outreach to high schools was necessary to increase grant program participation. Without additional outreach to promote the grants among high school students and Pell-eligible college students, Education may not be able to achieve its goal to double the number of AC and SMART Grants awarded by the 2010-2011 funding cycle. Agency officials told GAO they had no plans to promote the programs, since the grants will sunset at the conclusion of the 2010-2011 academic year.