

GEAR UP College Savings Account Research Demonstration Project Public Comment

In response to the Federal Register Notice (Vol 77, No. 139) submission for OMB Review, we received one comment.

Comment: One commenter believes that the Department made funding decisions in FY 2012 contrary to the legislation governing the GEAR UP Program. This commenter also believes the Department is restricted from establishing the College Savings Account Research Demonstration Project as a result of those funding decisions.

Discussion: We appreciate this comment. However the funding decisions relating to the GEAR UP Program were made according to the legislation governing the program. Section 404B(a) of the Higher Education Act, as amended (20 USC 1070a-22(A)), provides that—

In awarding grants from the amount appropriated [for GEAR UP] for a fiscal year, the Secretary shall make available -

(1) to [State grantees], not less than 33 percent of such amount;

(2) to [partnership grantees], not less than 33 percent of such amount; and

(3) to [State or partnership grantees], the remainder of such amount taking into consideration the number, quality, and promise of the applications for the grants, and, to the extent practicable -

(A) the geographic distribution of such grant awards; and

(B) the distribution of such grant awards between urban and rural applicants.

This statute does not differentiate between the amount of the fiscal year appropriation made available for new GEAR UP awards and the amount made available for non-competing continuation GEAR UP awards, and we have consistently interpreted it to apply to both.

The FY 2012 appropriation for the GEAR UP Program is \$302,243,678. After setting aside \$1,500,000 for program evaluation as authorized under section 404G(c), the Department awarded \$131,417,477 (approximately 43% of the appropriation) to State grantees and \$159,489,469 (approximately 53 % of the appropriation) to partnership grantees, amounts that comport with this statutory requirement. Thus, in proposing to award approximately \$8.9 million to State grantees who submit quality applications under the proposed Research Demonstration Project, the Department continues to adhere to the statute governing the GEAR UP Program.