

To: Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee

From: J Ritchie Morrow & Elizabeth McCloud, on behalf of State Grant Agencies and other state and non-profit higher education financing organizations

Proposal: Update to the definition of Institutional Grants & Scholarships

Date: January 6, 2026

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§ 668.2 General definitions

Institutional grants and scholarships. Assistance that the institution or its affiliate controls or directs to reduce or offset the original amount of a student's institutional costs and that does not have to be repaid. Typically, an institutional grant or scholarship includes a grant, scholarship, fellowship, discount, or fee waiver. **This includes a grant which could convert to a loan should a student not meet certain requirements.** An institutional grant or scholarship does not include Federal education benefits; State, Tribal, local, or private grants and scholarships that the institution does not control or direct; the institutional share of **Federal campus based aid programs**; or assistance that must be repaid.

Rationale:

Suggestion 1: Like the Federal TEACH Grant, institutions may have a program which is awarded as a grant with specific requirements the student must meet. Should these requirements not be met, the grant would revert to an institutional loan. Since the assumption is most students would meet the requirements, it is felt this type of institutional program should be reportable.

Suggestion 2: The Federal Supplemental Educational Grant for Students (FSEOG) and Federal Workstudy (FWS) are currently the only two programs that make up the Federal campus based aid programs. FSEOG is currently mentioned in the draft. While FWS is not a grant or scholarship, once financial aid administrators see 'institutional share of FSEOG' they are going to wonder and ask about the institutional share of FWS. Rather than waiting for the question to be asked, adding it to the definition will eliminate any question on its exclusion. Plus, maybe someday the Federal government will add or create a new Federal campus based aid program.