

**§ 1070a-25. Scholarship component****(a) In general****(1) States**

In order to receive a grant under this division, an eligible entity described in section 1070a-21(c)(1) of this title shall establish or maintain a financial assistance program that awards scholarships to students in accordance with the requirements of this section. The Secretary shall encourage the eligible entity to ensure that a scholarship provided pursuant to this section is available to an eligible student for use at any institution of higher education.

**(2) Partnerships**

An eligible entity described in section 1070a-21(c)(2) of this title may award scholarships to eligible students in accordance with the requirements of this section.

**(b) Limitation****(1) In general**

Subject to paragraph (2), each eligible entity described in section 1070a-21(c)(1) of this title that receives a grant under this division shall use not less than 25 percent and not more than 50 percent of the grant funds for activities described in section 1070a-24 of this title (except for the activity described in subsection (a)(4) of such section), with the remainder of such funds to be used for a scholarship program under this section in accordance with such subsection.

**(2) Exception**

Notwithstanding paragraph (1), the Secretary may allow an eligible entity to use more than 50 percent of grant funds received under this division for such activities, if the eligible entity demonstrates that the eligible entity has another means of providing the students with the financial assistance described in this section and describes such means in the application submitted under section 1070a-23 of this title.

**(c) Notification of eligibility**

Each eligible entity providing scholarships under this section shall provide information on the eligibility requirements for the scholarships to all participating students upon the students' entry into the programs assisted under this division.

**(d) Grant amounts**

The maximum amount of a scholarship that an eligible student shall be eligible to receive under this section shall be established by the eligible entity. The minimum amount of the scholarship for each fiscal year shall not be less than the minimum Federal Pell Grant award under section 1070a of this title for such award year.

**(e) Portability of assistance****(1) In general**

Each eligible entity described in section 1070a-21(c)(1) of this title that receives a grant under this division shall hold in reserve, for the students served by such grant as described

in section 1070a-22(d)(1)(A) or 1070a-24(d) of this title, an amount that is not less than the minimum scholarship amount described in subsection (d), multiplied by the number of students the eligible entity estimates will meet the requirements of paragraph (2).

**(2) Requirement for portability**

Funds held in reserve under paragraph (1) shall be made available to an eligible student when the eligible student has—

(A) completed a secondary school diploma, its recognized equivalent, or another recognized alternative standard for individuals with disabilities; and

(B) enrolled in an institution of higher education.

**(3) Qualified educational expenses**

Funds available to an eligible student under this subsection may be used for—

(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the eligible student at an institution of higher education; and

(B) in the case of an eligible student with special needs, expenses for special needs services that are incurred in connection with such enrollment or attendance.

**(4) Return of funds****(A) Redistribution****(i) In general**

Funds held in reserve under paragraph (1) that are not used by an eligible student within six years of the student's scheduled completion of secondary school may be redistributed by the eligible entity to other eligible students.

**(ii) Return of excess to the Secretary**

If, after meeting the requirements of paragraph (1) and, if applicable, redistributing excess funds in accordance with clause (i) of this subparagraph, an eligible entity has funds held in reserve under paragraph (1) that remain available, the eligible entity shall return such remaining reserved funds to the Secretary for distribution to other grantees under this division in accordance with the funding rules described in section 1070a-22(a) of this title.

**(B) Nonparticipating entity**

Notwithstanding subparagraph (A), in the case of an eligible entity that does not receive assistance under this subpart for six fiscal years, the eligible entity shall return any funds held in reserve under paragraph (1) that are not awarded or obligated to eligible students to the Secretary for distribution to other grantees under this division.

**(f) Relation to other assistance**

Scholarships provided under this section shall not be considered for the purpose of awarding Federal grant assistance under this subchapter, except that in no case shall the total amount of student financial assistance awarded to a student under this subchapter exceed such student's total cost of attendance.

**(g) Eligible students**

A student eligible for assistance under this section is a student who—

(1) is less than 22 years old at time of first scholarship award under this section;

(2) receives a secondary school diploma or its recognized equivalent on or after January 1, 1993;

(3) is enrolled or accepted for enrollment in a program of undergraduate instruction at an institution of higher education that is located within the State's boundaries, except that, at the State's option, an eligible entity may offer scholarship program portability for recipients who attend institutions of higher education outside such State; and

(4) who participated in the activities required under section 1070a-24(a) of this title.

(Pub. L. 89-329, title IV, § 404E, as added Pub. L. 105-244, title IV, § 403, Oct. 7, 1998, 112 Stat. 1661; amended Pub. L. 110-315, title IV, § 404(e), Aug. 14, 2008, 122 Stat. 3213.)

**Editorial Notes****PRIOR PROVISIONS**

A prior section 1070a-25, Pub. L. 89-329, title IV, § 404E, as added Pub. L. 102-325, title IV, § 402(a)(4), July 23, 1992, 106 Stat. 495; amended Pub. L. 103-208, § 2(b)(20), Dec. 20, 1993, 107 Stat. 2459, related to distribution of funds, prior to the general amendment of this division by Pub. L. 105-244.

**AMENDMENTS**

2008—Subsecs. (b), (c). Pub. L. 110-315, § 404(e)(3), added subsecs. (b) and (c). Former subsecs. (b) and (c) redesignated (d) and (f), respectively.

Subsec. (d). Pub. L. 110-315, § 404(e)(4), substituted “the minimum Federal Pell Grant award under section 1070a of this title for such award year” for “the lesser of—

“(1) 75 percent of the average cost of attendance for an in-State student, in a 4-year program of instruction, at public institutions of higher education in such State, as determined in accordance with regulations prescribed by the Secretary; or

“(2) the maximum Federal Pell Grant funded under section 1070a of this title for such fiscal year”.

Pub. L. 110-315, § 404(e)(2), redesignated subsec. (b) as (d). Former subsec. (d) redesignated (g).

Subsec. (e). Pub. L. 110-315, § 404(e)(1), (5), added subsec. (e) and struck out former subsec. (e). Prior to amendment, text read as follows: “The Secretary shall ensure that each eligible entity places a priority on awarding scholarships to students who will receive a Federal Pell Grant for the academic year for which the scholarship is awarded under this section.”

Subsec. (f). Pub. L. 110-315, § 404(e)(1), (2), redesignated subsec. (c) as (f) and struck out former subsec. (f). Text read as follows: “An eligible entity may consider students who have successfully participated in programs funded under division 1 of this subpart to have met the requirements of subsection (d)(4) of this section.”

Subsec. (g). Pub. L. 110-315, § 404(e)(2), redesignated subsec. (d) as (g).

Subsec. (g)(4). Pub. L. 110-315, § 404(e)(6), substituted “activities required under section 1070a-24(a) of this title” for “early intervention component required under section 1070a-24 of this title”.

**Statutory Notes and Related Subsidiaries****EFFECTIVE DATE OF 2008 AMENDMENT**

Pub. L. 110-315, title IV, § 404(i), as added by Pub. L. 111-39, title IV, § 401(c), July 1, 2009, 123 Stat. 1940, provided that:

“(1) IN GENERAL.—The amendments made by subsection (e) [amending this section] shall apply to grants made under chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a-21 et seq.) on or after the date of enactment of this Act [Aug. 14, 2008], except that a recipient of a grant under such chapter that is made prior to such date may elect to apply the requirements contained in the amendments made by subsection (e) to that grant if the grant recipient informs the Secretary of the election.

“(2) SPECIAL RULE.—A grant recipient may make the election described in paragraph (1) only if the election does not decrease the amount of the scholarship promised to an individual student under the grant.”

**§ 1070a-26. 21st Century Scholar Certificates****(a) In general**

An eligible entity that receives a grant under this division shall provide certificates, to be known as 21st Century Scholar Certificates, to all students served by the eligible entity who are participating in a program under this division.

**(b) Information required**

A 21st Century Scholar Certificate shall be personalized for each student and indicate the amount of Federal financial aid for college and the estimated amount of any scholarship provided under section 1070a-25 of this title, if applicable, that a student may be eligible to receive.

(Pub. L. 89-329, title IV, § 404F, as added Pub. L. 105-244, title IV, § 403, Oct. 7, 1998, 112 Stat. 1662; amended Pub. L. 106-78, title VII, § 752(b)(8), Oct. 22, 1999, 113 Stat. 1169; Pub. L. 110-315, title IV, § 404(f), Aug. 14, 2008, 122 Stat. 3214.)

**Editorial Notes****PRIOR PROVISIONS**

A prior section 1070a-26, Pub. L. 89-329, title IV, § 404F, as added Pub. L. 102-325, title IV, § 402(a)(4), July 23, 1992, 106 Stat. 496; amended Pub. L. 103-208, § 2(b)(21), Dec. 20, 1993, 107 Stat. 2459, related to evaluation and report, prior to the general amendment of this division by Pub. L. 105-244. See section 1070a-27 of this title.

**AMENDMENTS**

2008—Pub. L. 110-315 added subsecs. (a) and (b) and struck out former subsecs. (a) and (b), which related to the provision of 21st Century Scholar Certificates and required that such Certificates be personalized for each student.

1999—Subsec. (a)(2). Pub. L. 106-78 substituted “Richard B. Russell National School Lunch Act” for “National School Lunch Act”.

**§ 1070a-27. Evaluation and report****(a) Evaluation**

Each eligible entity receiving a grant under this division shall biennially evaluate the activities assisted under this division in accordance with the standards described in subsection (b) and shall submit to the Secretary a copy of such evaluation. The evaluation shall permit service providers to track eligible student progress during the period such students are participating in the activities and shall be consistent with the standards developed by the Secretary pursuant to subsection (b).