

Pell Grant and Campus-Based Programs

An Overview of the Federal Pell Grant and Campus Based Programs



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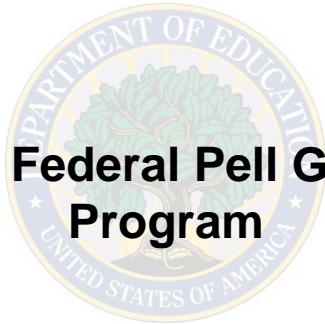


Four Commandments of FSA Programs

- I. **There is ALWAYS an exception.**
- II. **The correct, albeit frustrating, answer is often "It depends."**
- III. **Logic has very little to do with the FSA Programs.**
- IV. **When puzzled, review the first three commandments.**



The Federal Pell Grant Program



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Why Do We Call It a Pell Grant?

Claiborne Pell

(November 22, 1918 - January 1, 2009) was a United States Senator from Rhode Island, serving six terms from 1961 to 1997, and was best known as the sponsor of the Pell Grant.



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What Is a Pell Grant?

- Considered the foundation of all Federal Student Aid Programs
- Free money-Does not have to be repaid*
- Some students will qualify for it and some will not
- Amounts range from \$650 to \$6,095 for 18-19
- Amount is determined by
 - Expected Family Contribution (EFC)
 - Cost of Attendance (COA)
 - Enrollment Status

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2018-2019 - Pell Increased

- Congress passed and, on Mar 23, the President signed the Consolidated Appropriations Act of 2018 aka The Omnibus Bill
- Increased Maximum Pell Grant to \$6095
 - \$175 increase
- Maximum Eligible EFC – 5486
- GEN 18-04
 - Revised Pell Payment Schedules published on April 10



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How Does a Student Apply for a Pell Grant?

Must submit the Free Application For Federal Student Aid (FAFSA)



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What Happens After a Student Submits the FAFSA?

The student's EFC is calculated by ED's Central Processing System (CPS)

- The EFC Formula is written in law
- The EFC Formula is defined in the regulations

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How Is the Pell Award Amount Calculated?

- The institution uses the COA (which it determines) along with the EFC (which ED determines) to calculate the amount for each student

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Pell Definitions

Scheduled Award (34 CFR 690.63(g))

The maximum Pell Grant a student with a given EFC and COA can receive if enrolled full time for a full academic year.

Annual Award (34 CFR 690.2)

For term-based, credit-hour programs, it is based on the student's true enrollment status (full, 3/4, 1/2 or less than 1/2).

Pell Payment Schedule

You obtain this yearly from IFAP.ED.GOV



Pell Payment Schedule

COA range is vertical

EFC range is horizontal

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Still Don't Get It?

Think of the old game we used to play



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There Are Five Pell Formulas

- ➡ **Formula 1**-Credit hour program with standard terms
 - At least 30 weeks of instructional time
- Formula 2**-Credit hour program with standard terms
 - Less than 30 weeks of instructional time
- ➡ **Formula 3**-Credit hour program with non-standard terms
- Formula 4**-Clock Hour and Credit hour program without terms
- Formula 5**-Correspondence Study

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Formula 1 Summary

- Standard term, credit hour programs
- 30 weeks of instructional time
- Full-time status is at least 12 credit hours
- Academic calendar includes 2 semesters/trimesters or 3 quarters
- No overlapping terms

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Step 1: Determine Enrollment Status

- Full-time at least 12 credits
- 3/4 time at least 9 credits
- 1/2 time at least 6 credits
- < 1/2 time fewer than 6 credits

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Step 2: Calculate Pell Grant COA

- General rule
 - Use full-time, full-year costs
- Exception to general rule
 - When student is attending less than 1/2 time, use full-time, full-year costs for each allowable component
 - Some components not allowed for less than 1/2 time enrollment
 - No miscellaneous and personal expenses
 - Limited allowance for room and board

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Step 3: Determine Annual Award

- Use student's cost of attendance and EFC to find annual award on Payment Schedules

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Step 4: Determine Payment Periods

- Standard term programs use the term as the payment period
 - Semesters, trimesters, quarters

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Step 5: Payment Per Payment Period

Annual Award

of payment periods in academic year



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Final Step: COD

- Send origination records electronically to COD
- Send actual disbursement records electronically to COD
 - No funds in G5 until COD accepts the records
 - Disbursement date must reflect actual date of disbursement
- Resolve all rejects!! (see COD Technical Reference, Volume II, Section 4: Edits)

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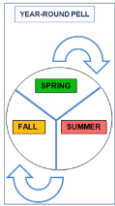
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Pell Duration of Eligibility

- Consolidated Appropriations Act, 2012 –
- Establishes the duration of a student's eligibility to receive Pell Grant to be 12 semesters or its equivalent.
 - Effective with the 2012-2013 award year.
 - Applies to all students
 - Includes all years of the Pell/Basic Grant Program
 - Back to the 1973-1974 Award Year
 - See DCL GEN-12-01 and various Electronic Announcements and Tech References

Pell Duration of Eligibility

- Calculate the 12 semester equivalency by adding together each of the annual percentages of a student's scheduled award that was actually disbursed to the student
- Results in LEU – Lifetime Eligibility Used
- Once LEU reaches 600%, student no longer eligible for Pell Grant funding
- If LEU more than 500% but less than 600%, partial eligibility for the award year



Year Round Pell



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Year-Round Pell: DCL GEN-17-06

- Per the Consolidated Appropriations Act of 2017, a student may now receive Pell Grant funds up to 150% of the Scheduled Award in an award year
- 1st 100% is initial scheduled Pell award
- Final 50% is considered the additional Pell award (YRP)
- See EA Jun 20, 2017 for Technical information



Year-Round Pell: Student Eligibility

- Student must be enrolled at least half-time in the payment period(s) for which s/he receives the additional Pell Grant funds (additional 50%)
- Dropping below half-time enrollment after Pell is disbursed and enrollment status is locked in, will not render the student ineligible
- A Pell recalculation to less than half-time will render the student ineligible
- Pell calculations and formulas remain unchanged
- The additional Pell Grant funds will be reflected in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)



Year-Round Pell: Student Eligibility

- Choice of crossover payment period award year can be made based on an institutional policy that—
- Provides for an individual decision for each student
- Applies to all students (or a category of students) without exception or
- Applies to all students (or a category of students) with allowance for an individual student exception



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Year-Round Pell: Student Eligibility

- While not a requirement, many schools have switched to Summer being a header term rather than a trailer term for the Federal Pell Grant Program
- Students are more apt to be less than half time in the Summer as opposed to other terms



Year-Round Pell: Student Eligibility

- If summer is a trailer and the student is LHT in Summer, she will not benefit from the additional Pell dollars
- However, if summer is a header and the student is LHT in Summer, she will not be using additional Pell funds in Summer
- She most likely will use additional Pell funds in the following Spring when she is more likely to be HT or greater



Where Can I Get More Info?

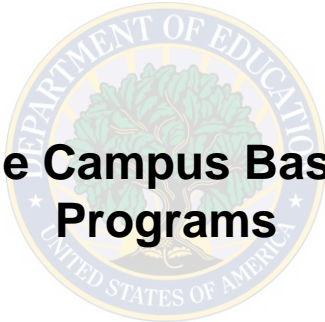
- Volume 3, Chapter 3 of the Federal Student Aid Handbook is dedicated to the Pell Grant program
- This book is located at <http://ifap.ed.gov>
- You can become an expert in the Pell Grant program by studying this chapter



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The Campus Based Programs



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Why Do We Call Them the Campus Based Programs?

- These programs are called “Campus Based” because your institution determines who gets money from programs and how much
- The regulations define who is eligible for Campus Based funds
- You build your Campus Based awarding policies and procedures around those regulations
- Stick to your P&P or you’ll have compliance issues!

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What Are The Campus Based Programs?

- Federal Supplemental Educational Opportunity Grant Program (FSEOG)
- Federal Work-Study Program (FWS)

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Perkins Loans

- Perkins ended as an FSA Program on September 30, 2017
 - Couple of exceptions
- Will not exist after June 30, 2018



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Federal Supplemental Educational Opportunity Grant Program

- For undergraduate students with greatest amount of financial need
 - But cannot establish an EFC benchmark
- Usually must be a Pell grant recipient
 - Must be considered first
- Limited funding
- Amounts range from \$100 to \$4,000 per year
 - Determined by school
 - Must make reasonable effort to make funds available year round

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Federal Work Study Program

- Provides part-time jobs for undergraduate and graduate students with *financial need*, allowing them to earn money to help pay education expenses
- Undergraduate or Graduate student
- Limited funding
- Pays at least minimum wage
- Students must be paid at least monthly
- Students cannot work during scheduled class time

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Campus-based Programs

- Some schools participate and others don't
- Some participate in 1, 2 or all 3 CB programs
- Schools apply using the FISAP
• <https://cbfisap.ed.gov/ecb/CBSWebApp/>



Campus-based Programs

Some Common Elements



Common Elements

- If your school wishes to participate, your institution must apply to participate in the Campus Based Programs, if it doesn't participate already
- Your institution's Policies and Procedures must contain language that encompasses how these programs will be administered
- Annual reporting and application (FISAP) is required thereafter



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Recipients Must Have Need

- In order to be considered for CB funds, the student must have financial need
- COA – EFC – EFA = Need



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Institutional Allocations

- In February, ED posts tentative award notifications to institutions
- In April, ED posts final award notifications to institutions
- These are posted at <https://www.cbfisap.ed.gov>
- FWS and FSEOG require institutional matching of at least 25%
- Total amount of funds depends on Federal funds and institutional match

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Administrative Cost Allowance

- Your institution can keep 5% of the first \$2,750,000 CB expenditures for ACA
- ACA is used to offset cost of administering the Campus Based programs
- Some schools roll this amount into the overall funds disbursed to students and some take the ACA

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How Does My School Get CB Funds?

- FWS and FSEOG funds drawn down by your Business Office from the G5 system
- The FAO (you) should communicate closely with your Business Office when they draw down funds
- Only draw down what you have immediate need for



Consolidated Appropriations Act of 2018

- Increased FSEOG by \$107 million to a total of \$840 million
 - Largest increase in a single year in history of the program
 - First increase since FY 2014
- Increased FWS by \$140 million increase to a total of \$1.13 billion
 - First time since FY 2009 the program's funding has surpassed \$1 billion



CB has Moved to COD

- For years, the CB programs ran on its own platform called e-CB
- Since March 2018, the CB programs have moved to the Common Origination and Disbursement system
- See the various EAs posted to IFAP on this subject
 - 2017 and 2018



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Where Can I Get More Info?

- Volume 6 of the Federal Student Aid Handbook is dedicated to the Campus Based Programs
- This book is located at <http://ifap.ed.gov>
- You can become an expert in the Campus Based programs by studying this volume
- See the FSA Assessments on IFAP

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Survey feedback is a tool to help us improve our training, justify training/travel expenditures and to listen to our customers

Please provide any comments regarding this training or the trainer to: Nancy Hoover, Title IV Training Supervisor, nancy.hoover@ed.gov

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QUESTIONS?



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Thank You!



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