PELL GRANT

**********

“Two is Better than One”

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TIV Basics:
Terms and Definitions
Pell Grant

• Terms:
  – Year-Round Pell
  – 2 Pell Grants in an Award Year

• Definition:
  – *Possible* for a student to receive up to two full Scheduled Pell Awards within one Award Year
Academic Year

• Must be *defined* for each eligible program
  – May be the same for all programs
  – May be different for some or all programs

• Academic Year applications include:
  – Establish academic program length for TIV purposes
  – Determine payment periods for TIV disbursements
  – Prorate Stafford Loans
  – Determine 2\(^{nd}\) Pell award eligibility*

• Program length may be shorter, but minimum requirements still apply

* Discussed later in session
### Academic Year Minimums

**Statutory Definition of an Academic Year**

<table>
<thead>
<tr>
<th>Academic Progress Measured By</th>
<th>Minimum Completion Requirement*</th>
<th>Minimum Instructional Time Requirement **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semester hours</td>
<td>24 semester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Trimester hours</td>
<td>24 trimester hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Quarter hours</td>
<td>36 quarter hours</td>
<td>30 weeks</td>
</tr>
<tr>
<td>Clock hours</td>
<td>900 clock hours</td>
<td>26 weeks</td>
</tr>
</tbody>
</table>

*Number of hours that a student enrolled full time is expected to complete in a full academic year

**A week is a seven day period in which there is at least one day of instruction or exams.
Grade Level

• Used to determine the level of academic standing of a student as defined by an institution
  – Used to classify students as 1\textsuperscript{st} year, 2\textsuperscript{nd} year, 3\textsuperscript{rd} year, etc. and/or freshman, sophomore…
  – Must be at least equal to ED minimum academic year definition but can be longer

• Used to determine 1\textsuperscript{st} year/2\textsuperscript{nd} year student for ACG purposes

• Used to determine annual Stafford loan limits
Two Pells in an Award Year

- Authorized by the Higher Education Opportunity Act of 2008
  - Effective with 2009-2010 Award Year
- If otherwise eligible, student MUST receive all or a portion of 2nd Scheduled Award within an Award year
- Objective to help accelerate student’s progress in a degree or certificate program
- Final Regulations Published October 29, 2009
  - Effective July 1, 2010
Two Pells in an Award Year

• Schools will continue to calculate the payment using scheduled award for award year (using annual award as appropriate)
  – Same EFC for award year
  – Continue to use normal Pell formulas (1, 2…)
    • Determining disbursements and payment periods are the same for both award amounts

• Schools will be able to pay a student up to a maximum of 200% of the scheduled award for the award year
Program Greater Than One Academic Year

- Must be enrolled in an academic program that is GREATER than an academic Year
  - Program length refers to *overall* eligible program length
  - In both hours and weeks of instructional time
  - One exception: Students with intellectual disabilities

- Effective for the 2009/2010 and 2010/2011 award years

- Required for clock hour/nonterm & term-based programs
Two Pells: One Payment Period - Two Awards

- Calculated Payment for payment period is greater than remaining balance of 1st Scheduled award
- Payment is the remaining amount of the 1st Scheduled Award plus an amount from the 2nd Scheduled Award for the balance of payment
- Remember – must always pay a Pell disbursement from ONE award year
Two Pells in an Award Year

Regulatory Changes:

2010-2011 Award Year

*Effective - 7/1/2010*
Final Regulations – October 29, 2009

- 2 major changes for 2010-11 Award Year
  - **Acceleration** – Academic Year Progression
    - At least 1 credit or clock hour in the payment period must be *attributable* to student’s next academic year
    - Count all hours paid by that award year’s Pell
      - i.e. hours paid by 9/10 Pell goes toward academic progression in 9/10
    - *NOT grade level progression*
  
- **Cross-Over Payment Period**
  - If cross-over payment period, school must award from the award year with the highest award amount for the payment period for the student.
Student Eligibility

2010-2011
2nd Scheduled Pell Award

- To receive a **second** scheduled award, student must
  - Student otherwise Pell Grant Eligible
  - Enrolled in a program greater than an academic year
  - Used 100% of 1st Scheduled Pell
  - Enrolled at least as a half-time student
  - **Be enrolled for at least one credit or clock hour (or partial hour if school uses partial hours) in the payment period that are attributable to the student’s second academic year in the award year**
  - Hours attributable toward 2nd AY based on any enrollment status changes due to a school’s Pell recalculation policy or ED recalculation requirements
Pell Grants—
2nd Scheduled Award

• May waive requirement to be enrolled in hours attributable to the 2nd academic year
  – Must be due to circumstances beyond the student’s control
  • May include circumstances such as illness or classes not offered
  • Does not include withdrawing to avoid a grade or failing to register
  – Must be determined and documented on individual basis
Pell Grants

2nd Scheduled Award

- In determining eligibility for a second Scheduled Award in an award year, may NOT use hours based on the following to determine completion of hours in 1st academic year:
  - Advanced Placement (AP) programs
  - International Baccalaureate (IB) programs
  - Testing out, life experience, or similar competency measures

- Remedial hours count towards 1st academic year completion
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

Fall 2010
Student full-time
50% Paid
12 Hours
Completed ("earned")

First Scheduled Award

Spring 2011
Student full-time
50% Paid
12 Hours
Completed ("earned")

Second Scheduled Award

Summer 2011
Enrolled in
6 Hours
ELIGIBLE

No Hours to Prior Academic Year
Six Hours for New Academic Year
(Pay 25% from Second Scheduled Award)
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

<table>
<thead>
<tr>
<th>Fall 2010</th>
<th>Spring 2011</th>
<th>Summer 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student full-time</strong></td>
<td><strong>Student full-time</strong></td>
<td>Enrolled in 6 Hours ELIGIBLE</td>
</tr>
<tr>
<td>50% Paid</td>
<td>50% Paid</td>
<td></td>
</tr>
<tr>
<td>12 Hours</td>
<td>9 Hours</td>
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<tr>
<td>Completed</td>
<td>Completed</td>
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</tr>
<tr>
<td>(“earned”)</td>
<td>(“earned”)</td>
<td>Second Scheduled Award</td>
</tr>
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</table>

First Scheduled Award

Second Scheduled Award

Three Hours to Prior Academic Year
Three Hours for New Academic Year
(Pay 25% from Second Scheduled Award)
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

Fall 2010
Student full-time
50% Paid
9 Hours Completed
("earned")

Spring 2011
Student full-time
50% Paid
9 Hours Completed
("earned")

Summer 2011
Enrolled in
6 Hours
NOT ELIGIBLE

First Scheduled Award

Second Scheduled Award

Six Hours to Prior Academic Year
No Hours for New Academic Year
- Cannot pay from Second Scheduled Award
- May pay from upcoming Award Year
Two Pells: Hours Completed

Assumes Academic Year Defined as 900 clock hours/24 weeks

<table>
<thead>
<tr>
<th>Payment Period 1</th>
<th>Payment Period 2</th>
<th>Payment Period 3</th>
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<tr>
<td>450 clock hours</td>
<td>450 clock hours</td>
<td>450 clock hours</td>
</tr>
<tr>
<td>(“earned”)</td>
<td>(“earned”)</td>
<td>ELIGIBLE</td>
</tr>
</tbody>
</table>

First Scheduled Award

Second Scheduled Award

Is eligible for payment from second Scheduled Award for 3rd payment period.
REMINDER – PELL PURPOSES

- For **each** Award Year, **Pell Scheduled Awards start over**
  - Each Award Year will have a 1\textsuperscript{st} and a 2\textsuperscript{nd} Pell award
- For **each** Award Year, in order to determine when the 1\textsuperscript{st} academic year is completed (in order to provide the 2\textsuperscript{nd} Pell), the school will review hours completed within that award year
  - All hours within payment periods contained in a given award year (including crossover periods considered part of the award year)
Crossover Payment Periods

2009-10
- JUNE

2010-11
- JULY
Cross-Over Payment Period

- Longstanding Policy (*prior guidance*)—
  - Payment period that includes both June 30 and July 1.
  - Must be assigned to one award year (*school option*)
  - Must have valid SAR/ISIR for assigned year.
  - First and last cross-over payment periods could be from the same award year.
  - May be different award year for Pell than for other Title IV aid.
- *Pay all Pell from one Award Year*
2010-2011 – Crossover Periods

• Regardless of Enrollment Status:
  – MUST assign a crossover payment period to award year in which student receives greater payment at time payment is initially calculated*
  – MUST reassign if subsequent information to initial calculation shows greater payment would result
    • But not later than ED Pell processing deadline (September 10, 2010 for 2010 crossover)
  – MAY reassign if information received AFTER ED Pell processing deadline but BEFORE Pell Admin Relief deadline (February 1, 2011)
New Regs for Cross-Over Term

- Must assign to award year in which student receives greater payment for the term - based upon information available at initial calculation.
  - Assume other year is higher if –
    - No SAR/ISIR.
    - Rejected ISIR with no EFC.
    - ISIR selected for verification but verification not completed.
Set Your Policy??

- School must have a written policy on how it will determine to which award year a student’s cross-over payment period will be assigned.
- Must have developed policy prior to July 1, 2010 or new regulations apply
- Policy may provide for –
  - Awarding all students from 2009-2010, if eligible.
    - May include exceptions
  - Awarding all students from 2010-2011, if eligible.
    - May include exceptions
  - Awarding on a student by student basis
Crossover Payment Period: Packaging

• May be different award year for Pell than for other Title IV aid.

• Packaging issues
  – For Pell, use EFC for the award year from which the student will be paid.

• Must use same EFC, COA and need for all programs except Pell.
  – Amount of Pell is EFA for other aid.
Two Pells in an Award Year – 2010-2011 Transfers

• Two Methods
  – Assumption Method
  – Hours-Earned Method
Transfers – Assumption Method

– Assume completed first academic year if received 100% of first Scheduled Award at prior institution(s)

– If less than first Scheduled Award, calculate hours considered to have completed:*

\[
\text{Amount disbursed at prior institution} \times \frac{\text{Hours in current institution’s academic year}}{\text{Amount of Scheduled Award at prior institution}} = \text{Hours considered completed}
\]

*If attended more than one school, add the results for each prior school
Transfers - Assumption Method

• Assume student completed the same ratio of the academic year as the % of Pell received
  • Prior school disbursed $1,645 of $5,350
  • Your school’s academic year is defined as 24 credit hours
  • $1,645 \times 24 / $5,350 = 7.38 \text{ credit hours completed at prior school}
  • Assume student completed 7 credit hours of academic year
    • *Always round down unless award in fractions of credits/clock hours*
    • Same rounding rules for Clock Hours
Transfers – Hours Earned Method

- Actual information from other schools
  - Time periods when hours earned
  - Does not include non-applicable hours (AP, IB, etc.)
  - Include hours in current award year for any hours earned in a payment period scheduled to occur in the prior year and the current award year (crossover)
If a school receives additional information on hours earned at other schools AFTER a PRIOR payment period in which the school disbursed a payment from the 2\textsuperscript{nd} Scheduled Pell award, the school MAY recalculate disbursement for the PRIOR period.
Maximum Pell amounts & COD Processing
Maximum Duration of Eligibility

- Limits Pell eligibility to 18 semesters
  - Department equivalent is 9 scheduled awards
    - 900% of life-time Pell eligibility
- Applies only to students who are first-time Pell recipients in the 2008-2009 award year or after
  - Students enrolled less than full-time will be assessed at the fractional enrollment status
Cross-Over Pell Reporting

If Pell disbursements must change Award Years due to requirement to pay largest payment then:

**COD**

Cancel disbursement from the incorrect year and re-originated and enter actual disbursement amount under the correct award year.

**G5**

Business Office will do a draw down adjustment reassigning the Pell disbursement to the correct Award Year and draw down any additional Pell funds from the proper Award Year if necessary.
Cross-Over Pell Reporting

If Pell disbursements must change Award Years due to requirement to pay largest payment then:

**G5**

Department is trying to allow schools to be able draw upcoming year Pell funds earlier than July 1. 2010-2011 Pell funds were available on May 25, 2010.

**FISAP**

Report Pell disbursement on the FISAP for the Award Year from which Pell was paid.
- If FISAP already filed, adjustments made during Fall edit/correction process (by December 15 after award year).
Year-Round Pell - Processing

• New field added to COD record
  – Additional Eligibility Indicator (AEI)

• School sets AEI to “true” on origination record when awarding any part of second scheduled award

• If you do not increase the award amount AND set the AEI to “true” on the origination record, the disbursement record will reject.

• AEI students will not trigger POP MRR
  – Still check for concurrent enrollment
### Common Record Information

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<th>Field</th>
<th>Information</th>
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### Student

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<th>Field</th>
<th>Information</th>
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<td>Student Name</td>
<td>JOHN Q JONES</td>
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<td>SSN</td>
<td>2222222222</td>
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<td>Date of Birth</td>
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### Award Information

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<td>Additional Eligibility Indicator</td>
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**Additional Eligibility Indicator**

- **V** (Selected)

---

**COD**
<table>
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<tr>
<th>Award Information</th>
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<tbody>
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<td>Scheduled Award Amount</td>
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<td>School Use Only Only</td>
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</tbody>
</table>
Year-Round Pell - Processing

• COD will calculate a Life-time Eligibility Used percentage (LEU)
  – Only for students who are first-time Pell recipients in 2008-2009 or after
  – LEU percentage will be calculated based upon accepted Pell disbursements in COD.
  – Reflected in both COD and NSLDS beginning in July 2009
  – In the common record in 2010-2011
  – On student’s ISIR in the 2010-2011
Year-Round Pell Grant Recording

• Listen to recorded session on IFAP
• DCL ID: ANN-10-21 Subject: Webinar Recordings - Year-Round Pell Grant Webinar for Term-Based Schools and Year-Round Pell Grant Webinar for Clock-Hour/Non-Term Schools
• Publication Date: May 25, 2010
• Listen and enjoy at your convenience!
THANK YOU!

Feedback on Training

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