

# Session # 26

## Federal Pell Grant Program Update

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Postsecondary Education



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# Agenda

- Budget: Scheduled Award
- Legislation and negotiated rulemaking
- 09-10: Duration of eligibility
- 09-10: Ineligibility due to civil commitment
- 09-10: EFC for Iraq/Afghanistan service members' survivors
- 09-10: Two Pell's in one award year
- 10-11: Two Pell's in one award year
- 10-11: Seven-day disbursement reporting
- 10-11: Iraq and Afghanistan Service Grants
- 11-12: Records First process

# Budget: Scheduled Award

- FY 2009 (2009-2010)
  - Maximum Scheduled Award: \$5,350
- FY 2010 (2010-2011): Administration proposal
  - Maximum Scheduled Award: \$5,550
  - Mandatory funds only (entitlement)
  - Annual increase of CPI plus 1%
- FY 2010 (2010-2011): Congress
  - Budget reconciliation act
  - Appropriations act

# Legislation

Higher Education Opportunity Act of 2008  
Pub. L. 110-315 (effective 2009-2010)

- Two Pells in one award year
- Duration of eligibility
- Ineligibility due to civil commitment
- Iraq/Afghanistan service members' survivors

# Legislation

## Higher Education Technical Corrections Pub. L. 111-39

- EFC for Iraq/Afghanistan service members' survivors (effective 2009-2010)
- Iraq and Afghanistan Service Grants (effective 2010-2011)

# Negotiated rulemaking

- Team V-General and Nonloan Programmatic Issues met in March 2009, April 2009, and May 2009
- Negotiations included Pell issues related to—
  - Two Pell awards in one award year
  - Iraq/Afghanistan service members' survivors

# Negotiated rulemaking

- No consensus
- Notice of proposed rulemaking:  
August 21, 2009
- Final regulations: October 29, 2009
- Effective starting in 2010-11
- Early implementation

# 2009-2010 Award Year



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# Duration of eligibility

- Limit Pell eligibility to 9 Scheduled Awards
  - Applies only to first-time Pell recipients starting with the 2008-2009 award year
  - Assessed at percentage of award used
- Track student percentage used in COD
  - In COD and NSLDS beginning July 2009
  - On the ISIR beginning in 2010-2011
  - With warnings to institutions and students well in advance

Final regulations: §690.6(e)  
(apply in 2010-2011)

# Duration of eligibility

## EXAMPLE

- Disbursements based on enrollment status
- Duration based on percentage of Scheduled Awards used (up to 900% available)

# Duration of eligibility

2008-09	Fall 2008 FT	Spring 2009 FT			=	100%
2009-10	Fall 2009 3QT	Spring 2010 3QT			=	75%
2010-11	Fall 2010 FT	Summer 2011 HT			=	75%
2014-15	Summer 2014 FT	Fall 2014 FT	Spring 2015 FT	Summer 2015 FT	=	200%
2015-16	Fall 2015 FT	Spring 2016 FT	Summer 2016 FT		=	150%
2016-17	Fall 2016 FT	Spring 2017 FT	Summer 2017 FT		=	150%

- Percentage of Scheduled Awards used 750% (150% still available)

# Civil commitment

A student is ineligible to receive a Federal Pell Grant if the student is subject to an involuntary civil commitment after completing a period of incarceration for a forcible or nonforcible sexual offense.

# Service members' survivors

- Student's parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001
- When the parent or guardian died, the student must be—
  - Less than 24 years old, or
  - Enrolled in postsecondary program
- Pell-eligible student has EFC reduced to zero for all Title IV

# Service members' survivors

- ED is working with DOD to develop a match to identify individuals in this category
- Match is expected to start in early 2010
- In the interim, students self-identify
- Until a DOD match is implemented, for assistance contact:
  - Marya Dennis
  - (202) 377-3385



# Two Pell's in one award year

- HEOA requirements
  - Must be in a program leading to associate or baccalaureate degree or certificate
  - Must be attending at least half-time in order to receive any of 2nd award
- Implementation
  - No regulations published for 9-10
  - Legally supportable ways to implement in ED: staff conference presentations, FSA Handbook, and new final regulations

# Two Pells: COD reporting

- Added new field in COD Common Record
  - Additional Eligibility Indicator (AEI)
- Set AEI to “true” when awarding funds from the student’s second Scheduled Award
- With AEI set, is no POP MRR but concurrent enrollment MRR is still triggered if enrollment dates were within 30 days





\*\*Training Version\*\*

Direct Loan Pell Grant TEACH Grant

## Student Information

Original SSN: 001010001

Original Name Code: SE

## School Information

Reporting Pell ID: 081876

Attended Pell ID: 081876

Reporting Entity ID: 99999999

Attended Entity ID: 99999999

## Origination Information

Award ID: 001010001SE201008187600

Origination Status: Not Ready

Last Pell Processor Date:

Document ID:

Record Source: M

## Scheduled Award:

Total of All Disbursement Amounts: \$0.00

## Last Updated

User:

Date:

Time:

Record: NEW RECORD

CPS Transaction #: -R

Disbursement Profile Code:

EFC: -R

Verification Status Code:

Cost of Attendance: -R

Low Tuition &amp; Fees Code:

Enrollment Date: -R

Incarcerated?

Additional Eligibility Indicator: 

School Internal

Sequence Number:

Award Amount for Entire School Year: -R

Origination Cross Reference:

Total Payment Ceiling:

E-mail Address 1:

a@n.com

E-mail Address 2:

## Enrollment Information - For School Use Only

Enrollment Status:

Academic Calendar:

Payment Methodology:

Weeks of Instructional Time

Used to Calculate Payment:

Weeks of Instructional Time in

Program's Definition of Academic Year:

Credit/Clock Hours Used

to Calculate Payment:

Credit/Clock Hours in This Student's

Program of Study's Academic Year:

Additional Eligibility Indicator  
Checkbox

# 2010-2011 Award Year



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# Two Pell's: Final regulations

- Must be used starting in the 2010-2011 award year
- May apply in some instances to summer crossover payment period considered to be in 2009-2010

§§690.63, 690.64, 690.67

# Two Pell's: Policy goals

- Accelerating completion
- Maximizing the benefit of second Scheduled Awards
  - Must attend full-time, or almost full-time, to receive significant benefit
- Applying student achievement and accountability principles for use of funds under the American Recovery and Reinvestment Act of 2009

# Two Pell's: Eligible student

- Is enrolled in credit or clock hours attributable to a student's second academic year in the award year
- Is enrolled in an eligible program leading to a bachelor's or associate degree or other recognized educational credential, except as provided for students with intellectual disabilities
- Is enrolled at least as a half-time student

§690.67(a)

Subpart O of part 668

# Two Pell's: Basics

- Use same Scheduled Award amount for both Scheduled Awards in the award year
- Calculate payment for each payment period
- Have been no changes to the formulas to calculate payments

# Two Pell's: Basics

- Pay eligible students until reach 200 percent of the student's Scheduled Award for the award year
- Can begin paying from second award in a payment period while paying the balance of first award if student qualifies for second award

# Two Pell's: Crossover payment period

- Is a payment period that includes June 30 and July 1, i.e., a payment period that occurs in two award years
- May be a term or a nonterm payment period
- Must be assigned to one award year
- Must have valid SAR/ISIR for assigned year

# Two Pell's: Crossover payment period

## Example

- A program has a semester calendar with two summer sessions (6/1 – 7/14 and 7/20 – 8/28)
- If combined in one term, the combined term is a crossover payment period regardless of what classes students attend
- If the two sessions are considered separate terms, only the 6/1 – 7/14 term is a crossover payment period

# Two Pell's: Crossover payment period assignment

- Must assign the payment period to the award year in which the student receives the greater payment
  - If assigned to first award year, must pay with first award year funds
  - If assigned to second award year must pay with second award year funds

\$690.64

# Two Pell's: Crossover payment period assignment

- Must reassign if receive information that student would receive greater payment
  - within deadline date for the first award year (2010 crossover payment period, September 21, 2010)
- May reassign if information received after initial deadline
  - but not later than the deadline date for administrative relief for the first award year (2010 crossover payment period, February 1, 2011)



# Two Pell's: Crossover payment period assignment for 2010

- Effective date of final regulations and 2010 crossover period
- Institution may designate based on options applied on student-by-student basis



# Two Pell's: Crossover payment period assignment for 2010

- Institution may designate:
  - Prior to July 1, 2010, a student's payment period as being in the 2009-10 and not apply these regulations;
  - A student's payment period as being in the 2009-10 award year with regulations being applicable; or
  - A student's payment period as being in 2010-11, in which case the regulations must apply.

# Two Pell: Crossover payment period and packaging

- Raises packaging issues
- Must use same EFC, COA and need for all programs except Pell
- For Pell, use EFC for the award year from which the student will be paid

# Two Pell's: Crossover payment period and packaging

## EXAMPLE

- Summer term normally assigned as last payment period of award year
- Institution decides to pay 2010 summer Pell from 2010-11 ISIR
  - Use 2010-11 ISIR/EFC for Pell
  - Use 2009-10 ISIR/EFC for packaging all other aid
- Amount of Pell received applied to determining need for other Title IV

# Two Pell's: Example

Summer 2010 Full-time (12 hr) \$2,000	Fall 2010 Full-time (12 hr) \$2,000	Spring 2011 Full-time (12 hr) \$2,000
2010-11 Award Year		

- \$4,000 Scheduled Award for 2010-11
- Fall, completes the hours of the first academic year
- Spring, receives payment from second Scheduled Award



# Two Pell's: Example

Summer 2011 ¾ time (9 hr) \$1,875	Fall 2011 Full-time ( <b>15 hr</b> ) \$2,500	Spring 2012 Full-time (15 hr) <b>\$2,500</b>	Summer 2012 Full-time (12 hr) \$2,500
2011-12 Award Year			

- \$5,000 Scheduled Award for 2011-12
- Fall, completes the hours of the first academic year
- Spring, receives payment from first and second Scheduled Awards
  - \$ 625 1<sup>st</sup> award
  - \$1,875 2<sup>nd</sup> awardoperationally transparent



# Two Pell's: Example

Fall 2012 ¾ time (9 hr) \$1,500	Spring 2013 Full-time (12 hr) \$2,000	Summer 2013 Full-time (12 hr) <b>\$2,000</b>
2012-13 Award Year		

- \$4,000 Scheduled Award for 2012-13
- Spring, does not complete first academic year
- Summer, eligible with payment of \$500 from balance of first award and \$1,500 from second award
- May need to assign summer to 2013-14 if a higher payment

# Two Pell's: Transfer student

- Final regulations: two options
  - Assumption method
  - Hours-earned method
- Method at option of institution: apply on a student-by-student basis or to all students

§690.67(b)

# Two Pell's: Transfer student assumption method

- Assume completed first academic year if received all of first Scheduled Award at prior institution
- If less than first Scheduled Award, calculate hours considered to have completed:

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

# Two Pell's: Transfer student assumption method

## EXAMPLE

- Transfer student received \$2,000 of \$4,000 Scheduled Award at prior institution
- Current institution defines academic year, in part, as 24 semester hours

# Two Pell's: Transfer student assumption method

- Hours in award year considered to have earned for prior attendance:

$$\frac{\$2,000 \text{ disbursed at prior institution} \times 24 \text{ hours in current institution's academic year}}{\$4,000 \text{ Scheduled Award at prior institution}} = 12 \text{ hours considered completed}$$

# Two Pell's: Transfer student hours-earned method

- The institution may determine the credit or clock hours actually earned at other institutions
- The institution must have information that—
  - Includes the time periods when the credit or clock hours were earned, and
  - Does not include nonapplicable credit or clock hours

# Two Pell's: Transfer student hours-earned method

- An institution must attribute to the current award year any credit or clock hours earned at other institutions that were earned in a summer crossover payment period

# Two Pell's: Transfer student hours-earned method

## EXAMPLE

- Current institution defines academic year, in part, as 24 semester hours
- Student's transcript shows earned 6 hours in the summer term and 12 hours in the fall semester

# Two Pell's: Transfer student hours-earned method

- Transfer student received \$2,000 of \$4,000 Scheduled Award at prior institution for the fall term and no payment for summer from the current award year
- At the current institution, the student is considered to have earned 18 semester hours in the award year: 6 from summer and 12 from fall

# Two Pell's: Transfer student

- No requirement to apply additional information to disbursements for prior payment period in award year
- For example—
  - Assumption method: a payment is reported late to NSLDS
  - Hours-earned method: a transcript is received indicating student earned additional hours in the award year at another institution



# Two Pell's: Nonapplicable hours

- In determining eligibility for a second Scheduled Award in an award year, may not use hours based on:
  - Advanced Placement (AP) programs
  - International Baccalaureate (IB) programs
  - Testing out, life experience, or similar competency measures
- Are not earned by attendance in the award year

# Two Pell's: Special circumstances

- May waive requirement to be enrolling in hours attributable to the second academic year in the award year to pay from second Scheduled Award
- Must be due to circumstances beyond the student's control
- Must be determined and documented on individual basis

# Two Pell's: Special circumstances

- May include circumstances such as illness or classes not offered
- Does not include withdrawing to avoid a grade or failing to register for offered class



# Seven-day reporting period

- Federal Pell Grant actual disbursement information under the advance payment method can be submitted no earlier than 7 calendar days prior to the disbursement date
- Same as currently required for other FSA programs such as ACG, National SMART Grants, and TEACH Grants

# Two Pell's: Reminders

- Cannot ignore crossover payment periods
- Cannot ignore intersessions between fall and spring semesters
- Must pay eligible students
- Must implement regardless of software capabilities, even if requires manual interventions such as may be necessary for crossover payment periods



# Iraq and Afghanistan Service Grants

- HEOA Technical Corrections (P.L. 111-39; sec. 420R of the HEA)
  - Enacted 7/1/2009
  - Effective 7/1/2010
- Regulations: to be published

# Iraq and Afghanistan Service Grants

- Grants to students:
  - Have parent or guardian died as a result of military service in Iraq or Afghanistan after 9/11/2001
  - Must be less than 24 years old or enrolled in postsecondary program when the parent or guardian died
  - Are not also receiving a Pell Grant (reverse awards to Pell if become Pell eligible)



# Iraq and Afghanistan Service Grants

- Equal to maximum Federal Pell Grant available for the award year
  - Not to exceed COA
  - Reduced for part-time enrollment
- Non-need-based aid
- Not EFA in packaging other Title IV aid
- DOD match

# Iraq and Afghanistan Service Grants

- Awards made under same terms and conditions as Pell
  - Payments calculated same way
  - Up to two awards in an award year
  - Eligibility limited to 900 percent of Scheduled Awards

# 2011-2012 Award Year



# Records First

- Only process for Advance Payment Method starting in 2011-12
- Same process as ACG/National SMART Grants

# Records First process

- No advance authorizations
- Authorization: driven by student disbursement data
- Timeframes for data:
  - COD would accept student disbursement data up to 7 days prior to the disbursement date
  - Data (set to true) would process through to G5 within 24 hours to be available for drawdown



# Contact Information

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