

Federal Pell Grant


A Guide to Year-Round Federal Pell Grants

Bruce Honer | Spring 2018
U.S. Department of Education
2018 Annual AASFAA Conference

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND®
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

Agenda

- Year-round Pell overview
 - Legislative background
 - General requirements
- Unchanged Pell rules
- Changed Pell rules
- Policy examples
- Operational aspects of year-round Pell



2

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND®
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

Year Round Pell Overview



3

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND®
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

For Discussion Purposes Only

Federal Pell Grant

Legislative Background

- The Consolidated Appropriations Act of 2017 allows a student to receive Pell Grant funds up to 150% of the student's Scheduled Award for an award year
 - 1st 100% is initial scheduled Pell award
 - Final 50% is considered the additional Pell award (YRP)
- Effective beginning with the 2017-18 award year
 - Applies to the summer of 2017 ONLY IF treated as a header to 2017-2018

DCL GEN-17-06 issued June 19, 2017

4 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

General Requirements

- Student must be otherwise eligible to receive Pell Grant funds for the payment period
- Student must be enrolled *at least half-time* in the payment period(s) for which the student receives the additional Pell Grant funds
- Additional Pell Grant will be included in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)

5 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

General Requirements

- Payment period may include awards from both the initial Pell Grant Scheduled Award and from the additional Pell Grant award
- When the calculated award for a payment period is greater than the remaining balance of an initial Scheduled Award, the award for the payment period is the remaining balance plus an amount from the additional Pell Grant award

6 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

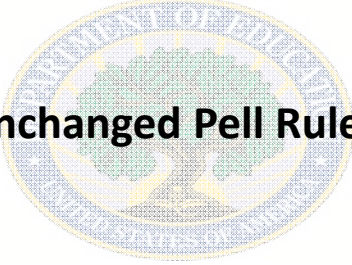
Differences from Two Pell Grants in an Award Year

- NO acceleration requirement
- NO requirement to place a crossover payment period in the award year that produces the largest Pell Grant award

THE DIFFERENCE

7 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

Unchanged Pell Rules



8 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

Definition of an Academic Year

- Must be defined for each eligible program
 - May be the same for all programs
 - May be different for some or all programs
- Credit-hour and clock-hour programs will have different academic years
 - For a credit-hour program, must contain a minimum of 24 semester or trimester or 36 quarter credit-hours and 30 weeks of instructional time
 - For a clock-hour program, must contain a minimum of 900 clock-hours and 26 weeks of instructional time


9 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

For Discussion Purposes Only

Federal Pell Grant

Definition of a Scheduled Award

- Amount that a full-time student would receive for a full academic year based on the student's EFC and COA



10 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND


Award Amount

- No change in the way an award for a payment period is calculated
- Pell Grant formulas have not changed (34 CFR 690.63)
 - Five Pell formulas
 - Use the formula that corresponds to the structure of the program
- Award is calculated by payment period based on a student's Scheduled Award

11 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Payment Period Determination

- Defined in 34 CFR 668.4
- For term-based programs, payment period is the term
- For nonterm programs and all clock-hour programs, payment period is half of the hours and half of the weeks in an academic year
 - Same rules also still apply for determining payment periods for remaining portions of a program



12 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Pell Crossover Payment Periods

- Payment period that includes both June 30 and July 1 overlapping two award years
- Must consider the crossover payment period to occur entirely within one award year
- Must have a valid SAR/ISIR for the selected award year
- May be different than the award year used for other Title IV aid (i.e., loans, campus-based)
- Institutions have the flexibility to assign crossover payment periods to either of the relevant award years

13 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Pell Crossover Payment Periods

- 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

14 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Recalculation Policies--Required

- Must recalculate a student’s Pell Grant award if he does not begin attendance in enough classes to support his enrollment status used to calculate his Pell Grant
- *To be eligible for the additional Pell Grant, a student must be enrolled at least half-time and begin the classes that support that enrollment status*

15 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

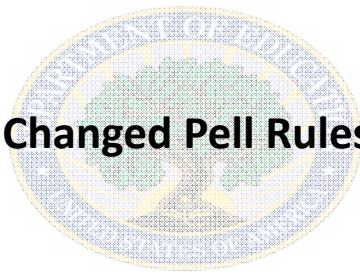
For Discussion Purposes Only

Federal Pell Grant

Recalculation Policies—Optional

- Institutions may develop a policy to recalculate for changes in enrollment status during a payment period
- May set a date after which no recalculation will be performed for changes in enrollment status
- If an institution does not establish a policy for recalculating for changes in enrollment status, a student's Pell Grant award is based on the initial calculation even if the student later changes her enrollment status

16 Federal Student Aid PROUD SPONSOR OF THE AMERICAN DREAM




Changed Pell Rules

17 Federal Student Aid PROUD SPONSOR OF THE AMERICAN DREAM

Changed Pell Rules

- Scheduled Award limitation
- Enrollment status




18 Federal Student Aid PROUD SPONSOR OF THE AMERICAN DREAM

For Discussion Purposes Only

Federal Pell Grant

Scheduled Award Limitation


- Old: Student may receive only one Scheduled Award for an award year
- New: Student may receive up to one and one-half of a Scheduled Award for an award year



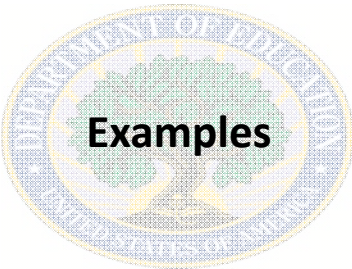
19 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Enrollment Status

- Old: Less-than-half-time enrollment eligible at all times
- New: Must be enrolled at least half-time to receive the additional award
- Final 50%



20 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND



Examples

21 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Additional Pell – Standard Term

Additional Pell: Example 1 (Semesters)

The student has used 100% of the original Scheduled Award. A Pell eligible student can be enrolled in any enrollment status to receive any portion of the Scheduled Award

Before the student can receive any portion of the Additional Pell (up to 50%), the student must use up the Scheduled Award and be enrolled at least HT

22 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Additional Pell - Clock Hour

Clock Hour Program: 1215 Clock Hours / 41 Weeks

Student used 100% of Initial Scheduled Award for their first defined AY of 900 hours / 30 wks.

Final Payment Period within 2017-18 Award Year. Student is Eligible for Additional Pell

23 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

One Term—Additional Pell Amount

- When the calculated award for a payment period is greater than the remaining balance of the initial Scheduled Award, the award for the payment period is the remaining amount of the initial Scheduled Award plus the Additional Pell amount
 - Awarded as one amount
 - Reported to COD as one amount

24 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Semester Example

- Assume student's 2017-18 Scheduled Award is \$5,370 based on an EFC of 550 and a COA of \$10,590

| | | |
|--|--|---|
| <p>Summer 2017 (assigned to the 2017-18 AY) Three-Quarter-Time</p> <p>Award - \$2,014 which is 37.5046% of the Scheduled Award</p> | <p>Fall 2017 Full-Time</p> <p>Award - \$2,685 which is 50.0000% of the Scheduled Award</p> <p>Total Percent of Initial Scheduled Award is 87.5046%</p> | <p>Spring 2018 Full-Time</p> <p>Award - \$2,685 which is 50.0000% of the Scheduled Award**</p> <p>(Must be half-time to receive any additional Pell amount)</p> |
|--|--|---|

25 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Semester Example

**The additional Pell Grant award cannot exceed 50% of a student's Pell Grant Scheduled Award.

- In the previous example, the Spring 2018 Pell award is made up of 12.4954% (\$671) remaining from the initial Pell Grant Scheduled Award and 37.5046% (\$2,014) from the additional Pell Grant award
- The student has 12.4954% (\$671) remaining from the additional Pell Grant award for the 2017-18 award year
- If the student had used up 100% of his Pell Grant Scheduled Award for Summer 2017 and Fall 2017, the entire Spring 2018 award amount would be from the additional Pell Grant award

26 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Additional Pell – Standard Term

Additional Pell: Example 2 (Semesters)

Enrolled FT
Fall Term
50% Used

Enrolled FT
Spring Term
50% Used

Enrolled LTHT
Summer Term
12.5% Ineligible

Since the student has used up 100% of the scheduled award prior to enrolling in the Summer term. Since the student is not enrolled at least HT, s/he is not eligible for Additional Pell.

27 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Additional Pell – Standard Term

Additional Pell: Example 2 (Semesters)

Enrolled LHHT
Fall Term
12.5% Used

Enrolled FT
Spring Term
50% Used

Enrolled FT
Summer Term
50% Eligible

The student is enrolled LHHT in the Fall Term. Since this is not the Payment Period in which the student is receiving Additional Pell, it does not make the student ineligible for Additional Pell in the Summer Term.

Initial Scheduled Award = 37.5%
Additional Pell = 12.5%

28 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Additional Pell – Transfer Students

Student Transfer to New School on 1/8/2018

2017-18 Pell TEU
Prior to Transfer =
90%

Enrolled FT
Spring Term
50% Eligible

Student completed Certificate Program at School A prior to transferring to School B. Student used 90% of Initial Scheduled Award

Initial Scheduled Award = 10%
Additional Pell = 40%

Eligible Pell amount now based out of 150%

29 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Additional Pell – Transfer Students

Student Transfer to New School on 1/8/2018

2017-18 Pell TEU
Prior to Transfer =
90%

Enrolled LHHT
Spring Term
12.5% Calculated

Student completed Certificate Program at School A prior to transferring to School B. Student used 90% of Initial Scheduled Award

Eligible for Initial Scheduled Award = 10%
Ineligible for Additional Pell = 2.5%

Student is Eligible for Remaining Initial Scheduled Award, but Ineligible for Additional Pell since LHHT

30 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

| Pell Cross Over Payment Periods | | | |
|---|--|--|---|
| <i>Paid as Header from Initial Scheduled Award</i> | | <i>Pay as Trailer from Initial Scheduled Award or Header for 2018-19</i> | |
| Summer 2017 Less-Than-Half-Time 12.5046% \$671.50 | Fall 2017 Full-Time 50.0000% \$2,685 | Spring 2018 Full-Time 50.0000% \$2,685 | Summer 2018 Half-Time 25.0000% \$1,342.50 |
| 2017-18 | | | 2018-19 |

31 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

| Optional Recalculation Examples |
|--|
| <ul style="list-style-type: none"> • Conditions <ul style="list-style-type: none"> • Student is only eligible for the additional Pell Grant award • Student enrolls in two 3 credit-hour courses prior to add/drop date for the term • Institution's policy is to recalculate a student's Pell award up to the add/drop date for the term |

32 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

| Optional Recalculation Examples |
|---|
| <ul style="list-style-type: none"> • <u>Results A</u> <ul style="list-style-type: none"> • Student begins attendance in ALL classes • After add/drop date, student drops one 3 credit-hour course • Student is still considered half-time and eligible for the additional Pell Grant disbursed |

33 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Optional Recalculation Examples

- **Results B**
 - Student begins attendance in all classes
 - Prior to add/drop date, student drops one 3 credit-hour course
 - Student is considered less-than-half-time and is not eligible for the additional Pell Grant

34 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Optional Recalculation Examples

- **Results C**
 - Student begins attendance in all classes
 - After add/drop date, student drops one 3 credit-hour course
 - The initial calculation of the student's Pell Grant occurs subsequent to the "add/drop" date of the term. The institution must use the student's enrollment status on the date of the initial calculation, which is less-than-half-time, and the student is not eligible for the additional Pell Grant.

35 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Required Recalculation Module Example

- Standard term, semester-hour program with a summer term comprised of two modules
- Student is enrolled half-time during summer 2018
 - 100% of 2017-18 initial Scheduled Award has been paid for fall/spring
 - Payment for the payment period will be from additional 2017-18 Pell

36 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

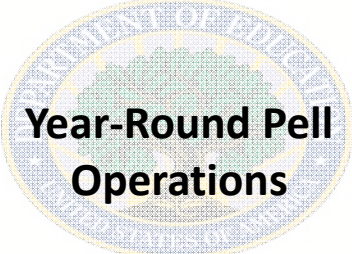
For Discussion Purposes Only

Federal Pell Grant

Required Recalculation Example

- Student was paid half-time Pell award based on enrollment in 6 credits as of the Pell Recalculation Date (PRD)
- Pell recalculation/COD adjustment necessary
 - Withdrawal from 3 credits in summer 2 was after the PRD but the student will *not have begun attendance in all credits* on which the Pell payment was based
 - A similar situation would exist if the student did not withdraw from the 3 credits in summer 2 but simply failed to begin attendance in them
- Student is now less-than-half-time and may not receive payment from 2017-18 additional Pell
 - Payment may be made from the initial 2018-19 Scheduled Award

37 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM



Year-Round Pell Operations

38 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

Year-round Pell Grants-Operations

Resources

- [June 20, 2017 EA](#) -- provides preliminary COD System implementation information and school processing timeline
- [Updated 17-18 COD Technical Reference –posted 8/30/17](#)
- [October 4, 2017 EA](#) – The COD 16.2 Implementation documentation
- For more technical information on Year-round Pell consider reviewing 2017 FSA Training Conference Session #14 – *COD Update*

39 Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

For Discussion Purposes Only

Federal Pell Grant

Year-round Pell Grants-Operations

- **Additional Eligibility Indicator (AEI)**
 - Schools may submit the AEI, an optional tag, that will indicate eligibility for up to 150% Scheduled Federal Pell Grant (SFPG)
 - If a school submits an AEI = "true", the total awarded Pell should equal an amount > 100% of the student's SFPG for that award year across schools
 - FSA will be monitoring schools that submit the AEI="true" for students **not awarded or disbursed** Pell over the 100% SFPG
 - Any school suspected of such practices will be referred to Program Compliance for review and sanctioning if not corrected

40 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Year-round Pell Grants-Operations

Total Eligibility Used (TEU) Calculation

- The TEU is the amount of Pell across all schools in one AY
- COD edits against the TEU, with additional student-specific qualifiers, based on circumstances
 - The AEI is one of those qualifiers
- If the AEI is not submitted by any school, or is = "false" by all schools in the AY, and actual disbursement amount > \$0

TEU Max = 100% + |Net of Closed School Adjustments for AY|
- If the AEI is = "true" by at least one school in the AY, and actual disbursement amount > \$0

TEU Max = 150% + |Net of Closed School Adjustments for AY|

41 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Year-round Pell Grants-Operations

COD Origination & Disbursement Edits

- Year-round Pell edit logic for 2017-18 Award Year and forward when the AEI = "true" for the following:
 - Disbursement Warning Edit **65**
 - Disbursement Warning Edit **68**
 - Award Level Rejecting/Correcting Edit **172**
 - Award Level Rejecting/Correcting Edit **173**
 - Award Level Warning Edit **174**
 - Award Level Warning Edit **175**

42 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Year-round Pell Grants-Operations

COD Reporting tools with the AEI

- Pell Grant Multiple Reporting Record (MRR) (*position 449*)
- Pell Grant Reconciliation Report Record (*position 97*)
- Pell Grant Year-to-date Record (*position 251*)
- Pell POP Report (*column V in new CSV format*)

43 FederalStudentAid PROUD SPONSOR OF THE AMERICAN MIND

Year-round Pell Grants-Operations

Myths about COD system editing

- *It will always keep me from awarding/disbursing the wrong amount of Pell*
- *It knows the student . . .*
 - Didn't enroll
 - Has a SAP problem
 - Graduated
 - Completed verification
- *Should be paid off a different CPS transaction number because it is higher than the one originally submitted to COD*
- *Should not be paid off a different CPS transaction number just because it is higher than the one originally submitted to COD*

44 FederalStudentAid PROUD SPONSOR OF THE AMERICAN MIND

Example #1- AEI Change

School

- Term-based Formula 1, Pell 'correcting' option
- 17-18 COA \$36,435

Student

- Full-time senior
- 17-18 EFC = 310
- 17-18 SFPG = 5570
- Packaged in June 2017 for 150% Pell
 - $5570 \times 1.5 = \$8,355$ (150% of 5570)
- *AEI submitted to COD as "true" on 10/17/17*

45 FederalStudentAid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Example #1- AEI Change

Registers for only 3 hrs. (< HT)

| Semester | Enrollment | Pell Disbursement | TEU |
|-----------------|---------------|----------------------|-----------|
| Summer | 12 hrs. (FT) | \$ 2,785.00 (50%) | |
| Fall Semester | 18 hrs. (FT) | \$ 2,785.00 (50%) | |
| Spring Semester | 3 hrs. (< HT) | \$ 696.50 (12.5044%) | 112.5044% |

Pell Recalculation done for < HT

During Internal audit on 7/15/18, AEI is changed from "true" to "false" because student is not at least HT in Spring. No other changes are submitted to COD except AEI change.

Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

Example #1-Late AEI Change

Consequences of late AEI change

- COD Response returns
 - Correcting edit 173 (corrects award amount down to SFPG - 5570)
 - Warning edit 174 (award amount < disbursed amount)
- Negative pending 30 day counter begins
- On 8/16/18 Spring disbursement is systematically reduced by COD to \$0 and Current Funding Level (CFL) is reduced by \$696.50
- *This is a school liability, not a student liability*

Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM

Example #1-Late AEI Change

To Avoid Consequences of late AEI change

- Update procedures when recalculating disbursements
 - Also reevaluate the award amount, and AEI at that time.
 - When AEI is changed from "true" to "false", also reevaluate and submit award and disbursement changes to COD
- Review edits returned in COD record responses to more quickly identify problems
- Run a Pell Reconciliation Report regularly
 - AEI
 - Year-to-date Disbursements accepted
 - Can be downloaded for school data comparison

Federal Student Aid | PROUD SPONSOR OF THE AMERICAN DREAM


For Discussion Purposes Only

Federal Pell Grant

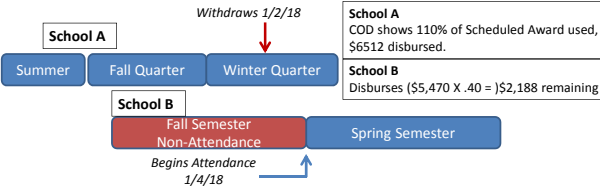
Example #2- POP with AEI

| | |
|--|---|
| School A <ul style="list-style-type: none"> • Term-based, Formula 1 • Trans. 01, EFC= 0 • 17-18 COA \$12,500 • SFPG = 5920 • Eligibility Used =110% • AEI= "true" | School B <ul style="list-style-type: none"> • Term-based, Formula 1 • Trans. 03, EFC= 433 • 17-18 COA \$19,920 • SFPG = 5470 • Eligibility Used =40% • AEI not submitted |
|--|---|

TEU = 150%




Example #2- POP with AEI



School A
 COD shows 110% of Scheduled Award used, \$6512 disbursed.

School B
 Disburses (\$5,470 X .40 =)\$2,188 remaining


School A --R2T4 calculation on 1/10/18. Reduces Winter Pell Award and Disb so EU = 95.475%. Submits updates to COD including changing AEI from "true" to "false" because School A disbursements no longer cause TEU to exceed 100%. TEU is now 135.475%.



Example #2-POP with AEI

Consequences - changing AEI to "false"

- COD Response returns
 - Warning edit 68 returned (POP)
 - Multiple Reporting Record (MRR) sent to both school A & B
 - Pell POP Report is sent to both school A & B
- Negative pending 30 day counter begins
- POP Deobligation -- On 2/11/18 *all disbursements* at both schools are reduced to \$0
 - School A CFL is reduced by \$ 5,652.12
 - School B CFL is reduced by \$ 2,188.00



For Discussion Purposes Only

Federal Pell Grant

YRP- Example #2-Late AEI Change

Avoid Consequences of AEI change and POP

- Update procedures for R2T4 calculations
 - When AEI is changed from “true” to “false”, always recalculate and submit award *and* disbursement changes if necessary, not just AEI change
- 2nd school disbursing any part of the 100-150% (reliant on an AEI= “true”), also submit AEI = “true”
- Always review edits returned in COD responses to more quickly identify problems
- Always review reports to identify and rectify problems

52 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Setting the AEI to “true”

When should I set the AEI = “true” in COD?

- When I award Pell for the award year?
- When the student indicates intent for “added” attendance?
 - Crossover period attendance
- Is the program a “year-round” program?
- Transfers
 - Does my school's disbursement represent an amount between 100%-150% in the student's TEU for that award year?

53 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

Setting the AEI to “false”

When should I set the AEI = “false” in COD?

- Why was it set to “true” previously?
 - Do those conditions still exist?
- Withdrawals/R2T4
- Nonattendance
 - Do you have a procedure when students that fail to enroll as planned?
- **Sooner is always better**
 - Don't wait until you are reconciling Pell for the award year


54 Federal Student Aid PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant

Department of Education Contacts

Research and Customer Care Center
800.433.7327
fsa.customer.support@ed.gov



Reach FSA
855.FSA.4FAA -- 1 number to reach 10 contact centers!

| | |
|----------|--|
| eZ-Audit | Campus Based Call Center |
| COD | School Eligibility Service Group |
| CPS/SAIG | Foreign Schools Participation Division |
| NSLDS | Research and Customer Care Center |
| G5 | Netnet Total & Permanent Disability Team |


55

FederalStudentAid | PROUD SPONSOR OF THE AMERICAN MIND

Contact Information

Contact me with follow-up questions about this session:

Bruce Honer, FSA Trainer
bruce.honer@ed.gov | (415) 486-5521



56

FederalStudentAid | PROUD SPONSOR OF THE AMERICAN MIND

Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

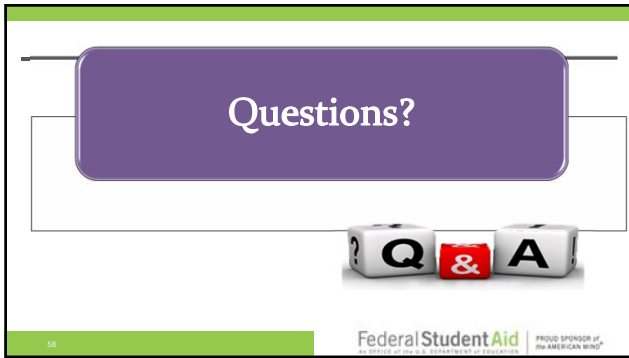
- Go to: <http://s.zoomerang.com/s/BruceHoner>
- Evaluation form is specific to Bruce Honer
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- Additional feedback about training can be directed to nancy.hoover@ed.gov; 202-377-4203

57

FederalStudentAid | PROUD SPONSOR OF THE AMERICAN MIND

For Discussion Purposes Only

Federal Pell Grant



For Discussion Purposes Only