LASFAA 2010

Fall Conference

A New Dawn,
A New Day,
A New Way to Administer the Pell Grant Program

October, 2010

Lafayette, LA
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
Award Year

- The award year is July 1 of one year to June 30 of the following year
  - Example: July 1, 2010 to June 30, 2011
  - Defines the timeframe in which students may receive the maximum amount of Pell funds for a given period
  - Pell Grant amounts are established each award year by Congress
    - Maximum amounts may change each award year
Academic Year Defined for Title IV

• Defined by the school
• Used for many Title IV purposes
• Must meet statutory minimums
• Period of time for which a T4 award, including a Pell scheduled award, is meant to be used for
Scheduled Award

- The Scheduled Award is the maximum amount the student can receive during the award year, if he or she attends *full-time for a full academic year*.

- Established by the Pell Grant payment schedule that the Department issues prior to the start of each award year.

- Scheduled Award is always taken from the Full-Time payment schedule, and is based on the student’s EFC and COA.
Annual Award

• The maximum amount a student would receive during a full academic year for a given enrollment status, EFC, and COA.

• The annual award for a student in a clock-hour/nonterm credit program is taken from the full-time payment schedule, even if the student is attending less than full-time.
  – Therefore, the annual award will always equal the scheduled award
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
Year-Round Pell Grant

• 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, 3, or 4)
  – 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
Two Pells: One Payment Period - Two Awards

- Calculated Payment for payment period is greater than remaining balance of 1\textsuperscript{st} Scheduled award
- Payment is the remaining amount of the 1\textsuperscript{st} Scheduled Award plus an amount from the 2\textsuperscript{nd} Scheduled Award for the balance of payment
## Two Pells: One Term Two Awards

- Completes 1\textsuperscript{st} Scheduled Award and begins 2\textsuperscript{nd} Scheduled Award within same term
  - Scheduled Award = $5,350

<table>
<thead>
<tr>
<th>Term</th>
<th>Scheduled Award</th>
<th>Award Amount</th>
<th>Award from 1\textsuperscript{st} Scheduled Award</th>
<th>Total Percent of 1\textsuperscript{st} Scheduled Award</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summer 2009</strong></td>
<td></td>
<td>$2,006</td>
<td>$2,006 from 1\textsuperscript{st} Scheduled Award</td>
<td>37.5% of 1\textsuperscript{st} Scheduled Award</td>
</tr>
<tr>
<td><strong>Three-Quarter Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fall 2009</strong></td>
<td>$2,675</td>
<td>$2,675</td>
<td>$2,675 from 1\textsuperscript{st} Scheduled Award</td>
<td>50% of 1\textsuperscript{st} Scheduled Award</td>
</tr>
<tr>
<td><strong>Full-Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Spring 2010</strong></td>
<td>$2,006</td>
<td>$669</td>
<td>$669 from 1\textsuperscript{st} Scheduled Award</td>
<td>remaining 12.5% of 1\textsuperscript{st} Scheduled Award</td>
</tr>
<tr>
<td><strong>Full-Time</strong></td>
<td></td>
<td>$2,006</td>
<td>$2,006 from 2\textsuperscript{nd} Scheduled Award</td>
<td>37.5% of 2\textsuperscript{nd} Scheduled Award</td>
</tr>
</tbody>
</table>
Year-Round Pell Changes

2010-2011 Award Year

Effective - 7/1/2010
2nd Scheduled Pell Award

- To receive a second scheduled award, student must
  - Used 100% of 1st Scheduled Pell
  - Enroll at least as a half-time student
  - Be enrolled for credit or clock hours that are attributable to the student’s second academic year in the award year
  - Student in a term-based program would cease to be eligible for a payment from the 2nd Award if student ceased to be enrolled in the hours attributable to the 2nd Scheduled Award prior to the date for any enrollment recalculation required by school’s recalc. policies
Year Round Pell – 2\textsuperscript{nd} Scheduled Award

• May waive requirement to be enrolled in hours attributable to the 2\textsuperscript{nd} 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
Year Round Pell – 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
# 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.
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

- **Fall 2010**
  - 50% Paid
  - 12 Hours Completed

- **Spring 2011**
  - 50% Paid
  - 12 Hours Completed

- **Summer 2011**
  - Enrolled in
  - 6 Hours ELIGIBLE

For Summer 2011
- Zero Hours to First Academic Year
- Six Hours for Second Academic Year
Two Pells: Hours Completed
Assumes Academic Year Defined as 24 hours

- Fall 2010
  - 50% Paid
  - 12 Hours
  - Completed

- Spring 2011
  - 50% Paid
  - 9 Hours
  - Completed

- Summer 2011
  - Enrolled in
  - 6 Hours
  - ELIGIBLE

First Scheduled Award

Second Scheduled Award

For Summer 2011
Three Hours to First Academic Year
Three Hours for Second Academic Year
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

Fall 2010
50% Paid
7 Hours
Completed

Spring 2011
50% Paid
6 Hours
Completed

Summer 2011
Enrolled in
12 Hours
ELIGIBLE

First Scheduled Award

Second Scheduled Award

For Summer 2011
Eleven Hours to First Academic Year
One Hour for Second Academic Year
Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

Fall 2010
50% Paid
9 Hours
Completed

Spring 2011
50% Paid
9 Hours
Completed

Summer 2011
Enrolled in
6 Hours
NOT ELIGIBLE

First Scheduled Award

Second Scheduled Award

For Summer 2011
Six Hours to First Academic Year
Zero Hours for Second Academic Year
# Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

<table>
<thead>
<tr>
<th>First Scheduled Award</th>
<th>2nd Scheduled Award</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summer 2010</strong></td>
<td><strong>Spring 2011</strong></td>
</tr>
<tr>
<td>50% Paid</td>
<td>Enrolled in 9 hours</td>
</tr>
<tr>
<td>9 Hours Completed</td>
<td>ELIGIBLE</td>
</tr>
<tr>
<td></td>
<td>Paid ¾ time</td>
</tr>
<tr>
<td><strong>Fall 2010</strong></td>
<td><strong>Summer 2011</strong></td>
</tr>
<tr>
<td>50% Paid</td>
<td>Enrolled in 6 Hours</td>
</tr>
<tr>
<td>9 Hours Completed</td>
<td>ELIGIBLE</td>
</tr>
<tr>
<td></td>
<td>Paid ½ time</td>
</tr>
</tbody>
</table>

- Assumes Summer is part of 10/11 award year
- Assumes completed at least 6 spring hrs
## Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

<table>
<thead>
<tr>
<th>First Scheduled Award</th>
<th>2nd Scheduled Award</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summer 2010</strong></td>
<td><strong>Spring 2011</strong></td>
</tr>
<tr>
<td>50% Paid</td>
<td>Enrolled in 9 hours</td>
</tr>
<tr>
<td>9 Hours Completed</td>
<td>NOT ELIGIBLE 0% paid</td>
</tr>
</tbody>
</table>

| Fall 2010              | Summer 2011        |
| 50% Paid               | Enrolled in 6 Hours|
| 6 Hours Completed      | ELIGIBLE Paid ½ time|

Assumes Summer is part of 10/11 award year

<table>
<thead>
<tr>
<th>9 hours 1(^{\text{st}}) AY</th>
<th>0 hours 1(^{\text{st}}) AY</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 hours 2(^{\text{nd}}) AY</td>
<td>6 hours 2(^{\text{nd}}) AY</td>
</tr>
</tbody>
</table>

Assumes completed all spring hrs
### Two Pells: Hours Completed

Assumes Academic Year Defined as 24 hours

<table>
<thead>
<tr>
<th>First Scheduled Award</th>
<th>2nd Scheduled Award</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summer 2010</strong></td>
<td><strong>Summer 2011</strong></td>
</tr>
<tr>
<td>50% Paid</td>
<td>Enrolled in</td>
</tr>
<tr>
<td>9 Hours Completed</td>
<td>6 Hours</td>
</tr>
<tr>
<td></td>
<td>NOT ELIGIBLE</td>
</tr>
<tr>
<td></td>
<td>0% paid</td>
</tr>
<tr>
<td></td>
<td>3 Hrs Completed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fall 2010</th>
<th>Spring 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% Paid</td>
<td>Enrolled in</td>
</tr>
<tr>
<td>6 Hours Completed</td>
<td>9 hours</td>
</tr>
<tr>
<td></td>
<td>NOT ELIGIBLE</td>
</tr>
<tr>
<td></td>
<td>0% paid</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Assumes Summer is part of 10/11 award year</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9 hours 1(^{st}) AY</strong></td>
</tr>
<tr>
<td><strong>6 hours 2(^{nd}) AY</strong></td>
</tr>
<tr>
<td><strong>0 hours 2(^{nd}) AY</strong></td>
</tr>
</tbody>
</table>
REMINDER

• 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
Cross-Over Payment Period

- Longstanding Policy –
  - Payment period that includes both June 30 and July 1.
  - Must be assigned to one award year.
  - 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. See later slides.
New Regs for Cross-Over Term

- Effective with the 2010-2011 Award Year
- 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.
New Regs for Cross-Over Term

- Effective with the 2010-2011 Award Year
- Must assign to award year in which student receives greater payment for the term - based upon information available at initial calculation.
  - Student not eligible for second scheduled award funds, regardless of which Award year is higher if –
    - Student not enrolled at least half-time
    - Student does not meet acceleration requirement.
New Regs for Cross-Over Term

Changes –

- Until date published in Federal Register (September 10 for 10-11) -
  - Must reassign payment period if information received showing greater payment from other Award Year.
  - Must compare again if re-calculating for any reason.

- May monitor and adjust after Federal Register date.
Two Pells: Crossover Payment Period

• 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.
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
  – MAY reassign if information received AFTER ED Pell processing deadline but BEFORE Pell Admin Relief deadline
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
## Maximum Duration of Eligibility

Student’s Pell disbursements based on enrollment status per payment period

<table>
<thead>
<tr>
<th>Year</th>
<th>Fall</th>
<th>Spring</th>
<th>Summer</th>
<th>Percentage Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09*</td>
<td>FT</td>
<td>FT</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>2009-10</td>
<td>TQT</td>
<td>TQT</td>
<td>TQT</td>
<td>112.5%</td>
</tr>
<tr>
<td>2010-11</td>
<td>HT</td>
<td>HT</td>
<td>HT</td>
<td>75%</td>
</tr>
<tr>
<td>2014-15</td>
<td>FT</td>
<td>FT</td>
<td>FT</td>
<td>200%</td>
</tr>
<tr>
<td>2015-16</td>
<td>FT</td>
<td>FT</td>
<td>FT</td>
<td>150%</td>
</tr>
<tr>
<td>2016-17</td>
<td>FT</td>
<td>FT</td>
<td>FT</td>
<td>150%</td>
</tr>
</tbody>
</table>

*First time received Pell

Percentage Used 787.5% (cumulative)
2 Pells - 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
Additional Eligibility Indicator Checkbox
<table>
<thead>
<tr>
<th>Award Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Amount Approved</td>
<td>$5,350.00</td>
</tr>
<tr>
<td>Scheduled Award Amount</td>
<td>$5,350.00</td>
</tr>
<tr>
<td>Award Amount Disbursed</td>
<td>$2,675.00</td>
</tr>
<tr>
<td>CPS Transaction Number</td>
<td>01</td>
</tr>
<tr>
<td>Enrollment Date</td>
<td>09/08/2009</td>
</tr>
<tr>
<td>Cost of Attendance</td>
<td>$26,928.00</td>
</tr>
<tr>
<td>EFC</td>
<td>0</td>
</tr>
<tr>
<td>Secondary EFC</td>
<td></td>
</tr>
<tr>
<td>Pell CPS Highest Application Process Date</td>
<td>07/15/2009</td>
</tr>
<tr>
<td>Pell CPS Highest Transaction Number</td>
<td>1</td>
</tr>
<tr>
<td>Selected for Verification by CPS</td>
<td>No</td>
</tr>
<tr>
<td>Verification Status Code</td>
<td></td>
</tr>
<tr>
<td>Incarcerated</td>
<td></td>
</tr>
<tr>
<td>Additional Eligibility Indicator</td>
<td>No</td>
</tr>
<tr>
<td>Collection Status Indicator</td>
<td></td>
</tr>
<tr>
<td>Collection Referral Amount</td>
<td>$0.00</td>
</tr>
<tr>
<td>Collection Amount Collected</td>
<td>$0.00</td>
</tr>
<tr>
<td>Eligibility Used</td>
<td>50.000%</td>
</tr>
</tbody>
</table>
Lifetime Pell Limit - 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
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
Pell and 2 Pells Myths

None of the following are true:

• A school can ignore payment periods, for example, crossovers or intersessions, and is not required to pay eligible students in those payment periods

• A school is not required to implement Pell and Two Pells requirements due to software deficiencies or the necessity to perform manual calcs
Pell and 2 Pells Myths

None of the following are true:

• A school is not required to make Pell disbursements for a summer term.

• A school can choose to pay only the remaining funds from a first scheduled award for a payment period in which the student is eligible to receive funds from both the first and second scheduled award.
None of the following are true:

- A school must review credits earned in a prior award year in order to eligibility for a second scheduled award in a subsequent award year

- Determining the credit or clock hours earned for 2 Pells eligibility ONLY applies to crossover payment periods

- AY always = grade level
None of the following are true:

• A student MUST earn all of the hours in the first AY before being eligible for any second scheduled award funds

• Half-time is always six credit hours when determining eligibility for the second scheduled award
Pell and 2 Pells Myths

None of the following are true:

- Academic program is one AY in length since student is allowed to attempt credits up to 150% of the published length of the program (i.e. 1 AY), then the student is eligible for second scheduled award funds for the attempted hours that are beyond 100%

- Student must be \( \frac{1}{2} \) time in Summer to get first scheduled award funds
Your Efforts Make a Difference!!
Supervisor of FSA Training Officers

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Contact Information

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Email: kevin.campbell@ed.gov