

Year-Round Pell 2: The Second Year

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Agenda

- Year-Round Pell overview
 - Legislative background
 - General requirements
- Unchanged Pell rules
- Changed Pell rules
- Case Studies
- Operational reminders

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Year Round Pell Overview

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Legislative Background

- The Consolidated Appropriations Act of 2017 allows a student to receive Pell Grant funds up to 150% of the Scheduled Award for an award year
 - First 100% is *initial* scheduled Pell award
 - Final 50% is considered the *additional* Pell award (YRP)
- Effective beginning with the 2017-2018 award year
 - Applied to summer 2017, *if* treated as a header to 2017-2018

Dear Colleague Letter GEN-17-06: June 19, 2017



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 *even \$1 of additional* Pell Grant funds
- Additional Pell Grant will be reflected in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)



General Requirements

- Payment period may include funds 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





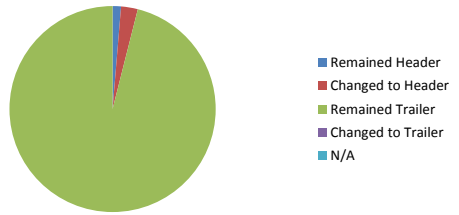
Differences from *Two Pell's in an Award Year*

- No acceleration requirement
- No requirement to place a crossover payment period in the award year that would result in the larger Pell Grant amount

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Treatment of Summer 2017



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Unchanged Rules

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Unchanged Pell Rules

- Definition of an academic year
- Definition of a Scheduled Award
- Payment period determination
- Award amount
- Pell Grant formulas
- Crossover payment periods
- Recalculation policies

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Award Amount

- No change in the way an award for a payment period is calculated
 - Calculations are made on a payment period basis ('annual' awards)
 - The appropriate Pell Grant Formula should be used
 - Awards are based on a student's Scheduled Award and enrollment status

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Pell Grant Formulas

| | | |
|--|--|--|
| Formula 1 Standard Term Credit-Hour Programs •Traditional Semesters/Termesters: 15-17 weeks in length, or •Traditional Quarters: 10-12 weeks in length and •Full-time is defined as at least 12 credit hours in each term | Formula 3 Other Term-Based Programs •Non-standard terms •Full-time may be defined as something less than 12 credit hours in any term •Program offers a type of credit inconsistent with type of term (e.g., semester credits for 10-week quarters) | Formula 4 Clock-Hour and Non-Term Programs •All clock-hour programs •All non-term credit-hour programs •Programs with terms that overlap |
|--|--|--|

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Pell and Crossover Payment Periods

- A crossover payment period includes June 30 and July 1, thus overlapping two award years
- Must consider the crossover 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 (e.g., Direct Loans, Campus-Based aid)
- Flexibility to assign crossover payment periods to either of the award years, "as it determines is most beneficial to students"

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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

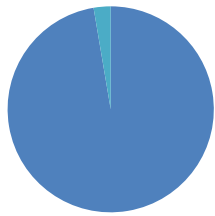
OR

 - Applies to all students (or a category of students) with an allowance for individual student exceptions

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Treatment of Summer 2018



- No Change from 2017
- Changed to Header
- Changed to Trailer
- N/A
- Changed Crossover Policy

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Mandatory Recalculations

- Pell must be recalculated if the student's EFC changes
- Pell must be recalculated to reflect changes to enrollment status *between* terms
- A student must start all credits for which Pell is paid
 - *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*

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Optional Recalculation Policies

- 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 (Pell Recalculation Date)
 - PRD only applies to Pell *recalculations*, not to initial calculations
- 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

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Changed Rules

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Scheduled Award Limitation

Students may now receive up to one and one-half (150%) of a Scheduled Award for an award year.

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Enrollment Status

Students must be enrolled at least half-time to receive additional Pell Grant funds in any payment period.

If there are remaining funds left over from the initial Scheduled Award, these may still be accessed.

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Case Studies

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Semester Example #1

Assume student's 2017-2018 Scheduled Award is \$5,920 based on an EFC of 0 and a COA of \$10,000

| Fall 2017 Full-Time | Spring 2018 Full-Time | Summer 2018 Full-Time |
|---|--|--|
| Award - \$2,960 which is 50.0000% of the Scheduled Award | Award - \$2,960 which is 50.0000% of the Scheduled Award | Award - \$2,960 which is 50.0000% of the Scheduled Award |
| Total percent of initial Scheduled Award used is 50.0000% | Total percent of initial Scheduled Award used is 100.0000% | 100% used of initial Scheduled Award, as well as the 50.0000% additional award |

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Clock-Hour Example

- 1200 clock-hour/35-week program that occurs entirely within the 2017-2018 award year
- Academic year = 900 clock-hours/26 weeks
- Student's Scheduled Award is \$5,920 for 2017-2018

| | | |
|-------------------------------------|-------------------------------------|--|
| 450 hours/13 weeks \$2,960 (50%) | 450 hours/13 weeks \$2,960 (50%) | 300 hours/9 weeks \$1,973.33 (33.33%) |
| 2017-2018 Award Year | | |

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133.3333%
2017-2018 Award Year

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Combined Initial and Additional Funds

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 and reported to COD as one amount

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Semester Example #2

Assume student's 2017-2018 Scheduled Award is \$5,370 based on an EFC of 550 and a COA of \$10,000

| Summer 2017 (assigned to the 2017-2018 AY) Three-Quarter-Time | Fall 2017 Full-Time | Spring 2018 Full-Time |
|---|--|---|
| Award - \$2,014 which is 37.5046% of the Scheduled Award | Award - \$2,685 which is 50.0000% of the Scheduled Award Total Percent of initial Scheduled Award used is 87.5046% | Award - \$2,685 which is 50.0000% of the Scheduled Award Total 100% used of initial Scheduled Award 37.5046% of additional award |

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Semester Example #3

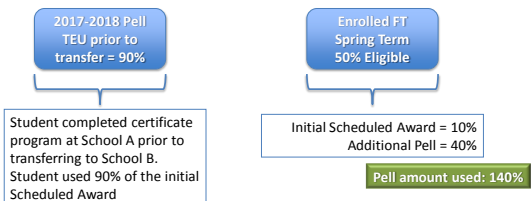
Assume student's 2017-2018 Scheduled Award is \$5,920 based on an EFC of 0 and a COA of \$10,000

| Fall 2017 Full-Time | Spring 2018 Full-Time | Summer 2018 Less-Than-Half-Time |
|--|---|---|
| Award - \$2,960 which is 50.0000% of the Scheduled Award Total percent of initial Scheduled Award used is 50.0000% | Award - \$2,960 which is 50.0000% of the Scheduled Award Total percent of initial Scheduled Award used is 100.0000% | Award - \$740 Ineligible Total 100% already used of initial Scheduled Award, and the student must be enrolled at least half-time to be eligible for additional Pell |

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Example: Transfer Students

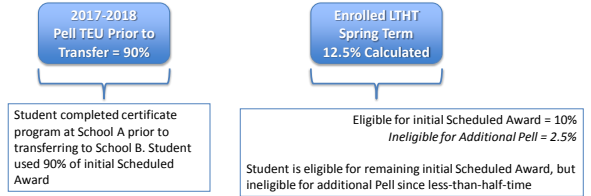
Student transfers to new school on January 8, 2018



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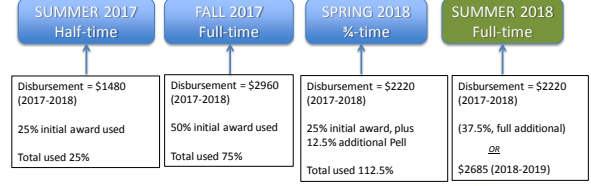
Example: Transfer Students

Student transfers to new school on January 8, 2018



Example: Crossover Period

2017-2018 EFC: 0 Scheduled Award: \$5,920
2018-2019 EFC: 500 Scheduled Award: \$5,370



Mandatory Recalculations

Pell Grant awards must be recalculated if a student does not begin attendance in any coursework reflected in the enrollment status on which the Pell is based.



Optional Recalculations

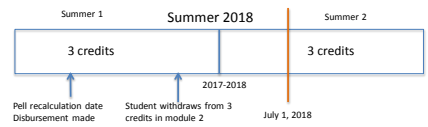
Schools have the option to establish one or more Pell Recalculation Dates (PRDs) on which Pell Grants are recalculated during a payment period, based on current enrollment status.

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Recalculation Example: Modules

- Standard-term program with a summer term of two modules and one PRD
- Rita is enrolled half-time during summer 2018, 3 credits in each module
 - 100% of 2017-2018 initial Scheduled Award has been paid for fall and spring
 - Payment for the payment period will be from additional 2017-2018 Pell



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Recalculation Example: Modules

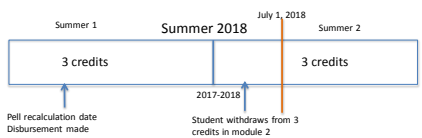
- Rita was paid half-time Pell award based on enrollment in 6 credits as of the Pell Recalculation Date (PRD)
- Pell recalculation and COD adjustment necessary
 - Withdrawal from 3 credits was after the PRD, but Rita did not begin attendance in all credits upon which the Pell payment was based
 - A similar situation would exist if she did not withdraw from the 3 credits in summer 2, but simply failed to begin attendance in them
- Rita is now less-than-half-time and may not receive payment from 2017-2018 additional Pell
 - Payment may be made from the initial 2018-2019 Scheduled Award, depending upon the school's crossover period awarding policy

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Recalculation Example: Modules

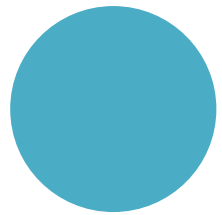
- Standard-term program with a summer term of two modules and one PRD
- Rita is enrolled half-time during summer 2018, 3 credits in each module
 - 100% of 2017-2018 initial Scheduled Award has been paid for fall and spring
 - Payment for the payment period will be from additional 2017-2018 Pell



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Treatment of Crossover PRDs



- Never PRDs
- Removed all PRDs
- Added PRD(s)
- Rescheduled PRD(s)
- No change

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Operational Reminders

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Year-Round Pell Operations

Myths about COD system editing

- It will always keep me from awarding/dispersing the incorrect amount of Pell
- It knows the student...
 - Didn't enroll
 - 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

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Year-Round Pell 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 amount should be greater than 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

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When Should I Set the AEI to "True?"

- 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% of the student's TEU for that award year?

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When to Set the AEI to “False?”

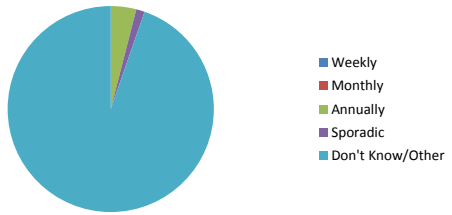
- Why was it set to “true” previously?
 - Do those conditions still exist?
- Withdrawals/R2T4
- Nonattendance
 - Do you have a procedure to monitor this?

Sooner is always better!

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AEI Review



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Resources

Resources

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Policy Resources

- *FSA Handbook*
– Volume 3, Chapter 3: Pell Calculations
- *Dear Colleague Letter GEN-17-06*
– Year-Round Pell Grants
- *Dear Colleague Letter GEN-18-01*
– 2018-2019 Pell Payment and Disbursement Schedules

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Technical Resources

- *Electronic Announcements*
– June 20, 2017
– October 4, 2017
- *2018-2019 COD Technical Reference*
- *2017 FSA Training Conference Session #14: COD Update*
– fsaconferences.ed.gov

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Thank you!

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This evaluation tool provides a means to inform us of areas for improvement, and to support an effective process for listening to our customers.

Additional feedback about training can be directed to Mark Gerhard at Mark.Gerhard@ed.gov.



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ED Contacts

[Reach FSA](#)
855.FSA.4FAA -- 1 number to reach 7 contact centers!



- eZ-Audit School Eligibility Service Group
- COD CPS/SAIG
- NSLDS Nelnet Total & Permanent Disability Team
- G5









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