A Guide to Year-Round Federal Pell Grants

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Department of Education
CASFAA Annual Conference 2019
https://cvent.me/zRPn1V

Agenda

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

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 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
  
  DCL GEN-17-06 issued 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 the additional Pell Grant funds
- Additional Pell Grant will be included in the student’s 600% maximum Pell Lifetime Eligibility Used (LEU)

### 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
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Differences from Two Pells 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

Unchanged Pell Rules

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

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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

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

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

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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

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

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
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.

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**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

**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%

**Examples**
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**Additional Pell – Standard Term**

Additional Pell: Example 1 (Semesters)

<table>
<thead>
<tr>
<th>Enrolled FT</th>
<th>Enrolled FT</th>
<th>Enrolled FT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Term</td>
<td>Spring Term</td>
<td>Summer Term</td>
</tr>
<tr>
<td>50% Used</td>
<td>50% Used</td>
<td>50% Eligible</td>
</tr>
</tbody>
</table>

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 half-time.

**Additional Pell - Clock Hour**

Clock Hour Program: 1215 Clock Hours / 41 Weeks

- 450 Clock Hours (PP 1) 50% Used
- 450 Clock Hours (PP 2) 50% Used
- 315 Clock Hours (PP 3) 35% Eligible

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

Final Payment Period within 2019-20 Award Year. Student is Eligible for Additional Pell.

**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

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### Semester Example

**Fall 2019**  
Full-Time  
Award - $2,672.50  
which is 50.0000% of the Scheduled Award  
Total Percent of Initial Scheduled Award is 87.5023%

**Spring 2020**  
Full-Time  
Award - $2,672.50  
which is 50.0000% of the Scheduled Award**  
(Must be half-time to receive any additional Pell amount)

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**Semester Example**

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

- In the previous example, the Spring 2020 Pell award is made up of 12.4977% ($668) remaining from the initial Pell Grant Scheduled Award and 37.5023% ($2,004.50) from the additional Pell Grant award.
- The student has 12.4977% ($668) remaining from the additional Pell Grant award for the 2019–20 award year.
- If the student had used up 100% of his Pell Grant Scheduled Award for Summer 2019 and Fall 2019, the entire Spring 2020 award amount would be from the additional Pell Grant award.

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**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

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.

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Additional Pell – Standard Term

**Additional Pell: Example 2 (Semesters)**

- Enrolled LTHT
  - Fall Term: 12.5% Used
- Enrolled FT
  - Spring Term: 50% Used
- Enrolled FT
  - Summer Term: 50% Eligible

The student is enrolled LTHT 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 this payment period.

Initial Scheduled Award = 37.5%
Additional Pell = 12.5%

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Additional Pell – Transfer Students

**Student Transfer to New School on 1/8/2020**

- 2019-20 Pell TEU Prior to Transfer = 90%
- Enrolled FT
  - Spring Term: 50% Eligible
- Enrolled FT
  - Summer 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%

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Additional Pell – Transfer Students

**Student Transfer to New School on 1/8/2020**

- 2017-18 Pell TEU Prior to Transfer = 90%
- Enrolled LTHT
  - 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 LTHT

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**Pell Cross Over Payment Periods**

<table>
<thead>
<tr>
<th>Period</th>
<th>Full-Time</th>
<th>Half-Time</th>
<th>Less-Than-Half-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2019</td>
<td>50.0000%</td>
<td>25.0040%</td>
<td>12.5020%</td>
</tr>
<tr>
<td>Spring 2020</td>
<td>50.0000%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summer 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Optional Recalculation Examples**

- **Conditions**
  - 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 (Pell Recalculation Date) for the term

**Optional Recalculation Examples**

- **Results A**
  - Student begins attendance in ALL classes
  - After Pell recalculation date, student drops one 3 credit-hour course
  - Student is still considered half-time and eligible for the additional Pell Grant disbursed

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Optional Recalculation Examples

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

Optional Recalculation Examples

- **Results C**
  - Student begins attendance in all classes
  - After Pell recalculation date, student drops one 3 credit-hour course
  - The initial calculation of the student’s Pell Grant occurs subsequent to the Pell recalculation 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.

Required Recalculation Module Example

- Standard term, semester-hour program with one summer term comprised of two modules, Summer 1 and Summer 2
- Student is enrolled half-time during summer 2020
- 100% of 2019-20 initial Scheduled Award has been paid for fall/spring
- Payment for the summer payment period will be from additional 2019-20 Pell

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**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 2019-20 additional Pell
  - Payment may be made from the initial 2020-21 Scheduled Award assuming student remains eligible for Pell in 2020-21

**Year-Round Pell Operations**

**Year-Round Pell Grants Operational Considerations**

- Additional Eligibility Indicator (AEI)
- Total Eligibility Used (TEU) calculation
- Tools in COD to help identify Year-Round Pell Grant issues
- Potential Overaward Process (POP) Example
- Setting the AEI Correctly
- Operational Reminders

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Additional Eligibility Indicator

- The AEI is the sole means of confirming Year-Round Pell Grant eligibility
- The AEI is an optional data element, and does not need to be submitted for ineligible students, but may be submitted as “false”
- Must be “true” to certify eligibility between 100 - 150%
- Only submit as “true” if student is eligible for Year-Round Pell Grant

Total Eligibility Used Calculation

- The TEU is the amount of Pell Grant disbursed across all schools in one AY.
- Especially important when you are calculating remaining need for transfer students
- If AEI = “true”, TEU should be > 100% of the student’s Scheduled Federal Pell Grant (SFPG) in the AY, across schools
- COD edits against the TEU, and the AEI value alters the TEU maximum calculation

Total Eligibility Used Calculation

- If the AEI is not submitted, or is = “false” at all schools in the AY, and actual disbursement amount > $0
  \[TEU\ Max = 100\% + |\text{Net of Closed School Adjustments for AY}|\]
- If the AEI is = “true” at any school in the AY, and actual disbursement amount > $0
  \[TEU\ Max = 150\% + |\text{Net of Closed School Adjustments for AY}|\]
Identifying Year-Round Pell Grant Issues

- COD edit logic is altered by the value of the AEI for the following edits:
  - Disbursement Warning Edit 65
  - Disbursement Warning Edit 68 - POP
  - Award Level Rejecting/Correcting Edit 172
  - Award Level Rejecting/Correcting Edit 173
  - Award Level Warning Edit 174
  - Award Level Warning Edit 175

- Don’t ignore the edits returned in responses from COD!
  - Disbursement Warning Edit 68 – POP -- is a clue the AEI may need to be set to “true”
  - Award Level Edits 173, 174, 175 all point to a change in the AEI from “true” to “false” and the award/disbursement are no longer consistent with that determination.

* COD Technical Reference Volume 2, Section 4

Identifying Year-Round Pell Grant Issues

- Review reports with the AEI
  - Pell Grant POP Report (column V in CSV format)
    - POP is the #1 clue the AEI is not correctly set for the student
  - Pell Grant Multiple Reporting Record (MRR) (position 449)
  - Pell Grant Reconciliation Report Record (position 97)
  - Pell Grant Year-to-date Record (position 251)

* COD Technical Reference Volume 6, Section 8
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#### POP Example 2018-19

<table>
<thead>
<tr>
<th>School A</th>
<th>School B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term-based, Formula 1</td>
<td>Term-based, Formula 1</td>
</tr>
<tr>
<td>Trans. 01, EFC= 0</td>
<td>Trans. 03, EFC= 833</td>
</tr>
<tr>
<td>2018-19 COA $32,500</td>
<td>2018-19 COA $19,920</td>
</tr>
<tr>
<td>SFPG = 6095</td>
<td>SFPG = 5445</td>
</tr>
<tr>
<td>Eligibility Used =125.005%</td>
<td>Eligibility Used =24.995%</td>
</tr>
<tr>
<td>AEI= “true”</td>
<td>AEI not submitted</td>
</tr>
</tbody>
</table>

**TEU = 150%**

#### POP Example

<table>
<thead>
<tr>
<th>School A</th>
<th>School B</th>
</tr>
</thead>
<tbody>
<tr>
<td>COD shows 125.005% of the Scheduled Award used, $6,857 disbursed.</td>
<td>Disburses remaining ($5,445 X 24.995%) = $1360.97</td>
</tr>
</tbody>
</table>

**School A**
- Begins Attendance 2/9/19
- COD shows 125.005% of the Scheduled Award used, $6,857 disbursed.

**School B**
- COD shows 24.995% of the COA used, $1,360.97 disbursed.

**School A**
- COD Response returns Warning edit 68 returned (POP)
- Multiple Reporting Record (MRR) sent to both school A & B
- Pell Grant POP Report is sent to both school A & B
- Negative pending 30-day counter begins
- POP Deobligation – 2/18/19 all Pell Grant disbursements reduced to $0
  - School A funding is reduced by $5,079.16
  - School B funding is reduced by $1,360.97

**School B**
- COD shows 125.005% of the Scheduled Award used, $5,445 disbursed.

**Consequences from the POP example**
- COD Response returns
  - Warning edit 68 returned (POP)
  - Multiple Reporting Record (MRR) sent to both school A & B
  - Pell Grant POP Report is sent to both school A & B
- Negative pending 30-day counter begins
  - POP Deobligation – 2/18/19 all Pell Grant disbursements reduced to $0
    - School A funding is reduced by $5,079.16
    - School B funding is reduced by $1,360.97
**Setting the AEI Correctly**

- Update procedures for R2T4 calculations, non-attendance, and all other recalculated disbursements
  - When AEI is changed from “true” to “false”, always recalculate and submit award and disbursement changes if necessary
  - When award and disbursements are changed, always evaluate if AEI needs to be changed to/from “true”?”false”
- If you reduce the student's award and disbursement to $0, change the AEI from “true” to “false”
- School disbursing any part of 100%-150% (reliant on AEI= “true”), also submit AEI = “true”
- Don’t wait until year-end to correct the AEI!

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**Operational Reminders**

- One Pell Grant per student, per school, per award year
  - There is no “First Pell” and “Second/Additional Pell” in COD, regardless of how it might be structured in your system
  - If software product does not package/disburse in cents, the 2018-19 maximum at the 150% limit is $9,142
  - $9,143 exceeds the maximum limit of $9,142.50
  - Always calculate remaining Eligibility Used in percentages!

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**Operational Reminders**

- Setting the AEI=true for a student can increase the student’s Pell Grant eligibility across all schools for that award year
- Schools may not know their COD submissions are being edited at the higher limit if another school set the AEI=true
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Additional Contact Information

CODSupport@ed.gov; 800-848-0978
- Questions related to the Common Origination and Disbursement (COD) System, the Campus-Based programs, or Iraq and Afghanistan Service Grant, Pell Grant, TEACH Grant, and Direct Loan processing

nslds@ed.gov; 800-999-8219
- Questions related to NSLDS functions such as student eligibility, overpayments, loan history, and enrollment reporting

CPSSAIG@ed.gov; 800-330-5947
- Questions related to the Central Processing System (CPS), the Student Aid Internet Gateway (SAIG), FAA Access to CPS Online, and assistance with software products such as EDconnect and EDEexpress

edcaps.user@ed.gov; 888-336-8930
- Questions related to G5, the Department of Education's electronic system for grants management and payments

Training Feedback

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

- All registrants for this session will receive an email with a link to an electronic evaluation that we ask you to complete
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- To register, please go to: https://cvent.me/zRPn1V

Ask A Fed goes online!

FSA has implemented a new resource to assist Financial Aid Administrators obtain guidance about the FSA programs. Based on the popularity and effectiveness of the Ask A Fed desk at the annual FSA Training Conference, we have instituted a similar process using email.

Please send your inquiries about Title IV regulations to AskAFed@ed.gov.

The Ask A Fed email box is staffed every business day by a team of FSA Training Officers ready to assist schools with their questions.
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Questions?

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