

Two Pell Grants During a Single Award Year

KASFAA Spring Conference April 7, 2011

Michael C. Roberts
Title IV Training Officer
Atlanta Region

1



Agenda

- Two Pell's Overview
- Awarding Examples
(Academic Year Progression)
- Operational Considerations
- Final Reminders

2



Two Pell's In An Award Year

- Authorized by the Higher Education Opportunity Act (HEOA).
- If eligible, student able to receive all or a portion of a second Scheduled Award within an Award Year.
- Objective is to help needy students accelerate their academic progress.
- Effective for the 2009-2010 Award Year.
 - Implementation by schools is not optional.
 - Students eligible for second Scheduled Award in 2009-2010 must be paid.
- Final Regulations Published October 29, 2009.

3

CFR 690.63



Unchanged Pell Rules

- Scheduled Award
 - Amount that full-time student receives for a full academic year
- Payment periods as defined in regulations
- Calculation of award and payment using payment tables, EFC and COA
- Valid ISIR/EFC to award

4



Changed Pell Rules

- Scheduled Award Limitation
 - Old: Student may receive only one scheduled award in an award year
 - New: Student may receive more than one scheduled award in an award year (up to 200% of scheduled award)
 - New: A payment period may include first scheduled award and second scheduled award

5



Changed Pell Rules

- Enrollment Status
 - Old: Less than half-time enrollment eligible at all times in scheduled award
 - New: Same but must be at least half-time for second scheduled award

6



Changed Pell Rules

- Crossover Payment Periods
 - Old: Institution may assign period to either award year as a general policy or on a case-by-case basis
 - New: Must assign period to award year that will produce higher payment amount

Student Eligibility

- First Scheduled Award
 - Pell Grant eligible
 - Enrolled at any enrollment status in eligible program.
 - Amounts received will count toward life-time aggregate limit (new students 2008-09 and after)

Student Eligibility

- Second Scheduled Award
 - Pell Grant eligible
 - Enrolled at least half-time in eligible program
 - Received 100% of first Scheduled Award
 - Beginning with 2010-11 award year, student must demonstrate academic year acceleration (unless early implementation for 2009-10)

Two Scheduled Awards Same Payment Period

- Payment Period Award may included Payment from 1st Scheduled Award and 2nd Scheduled Award if
 - Student is eligible for 2nd scheduled (690.67) and
 - Payment due student > 1st scheduled award amount
 - Will be reported to COD in one amount
- Calculated Payment =

$$\begin{aligned} & 1^{\text{st}} \text{ Scheduled Award Balance} \\ & + \text{Amount from } 2^{\text{nd}} \text{ Scheduled Award} \\ & = \text{Students Payment for Payment Period} \end{aligned}$$

Two Pell's: Same Payment Period

(Scheduled Award \$5550 and 0 EFC)

	Summer 2010	Fall 2010	Spring 2011
Enrollment Status	9 hours Three-Quarter	12 hours Full-time	12 hours Full-time
Award Amount	\$2,082	\$2,775	\$2,775 (\$ 693 – from 1 st \$2082 – from 2 nd)
% of Scheduled Award Used	37.5%	50%	50% (12.5% from 1 st 37.5% from 2 nd)
Remaining Eligibility	162.5%	112.5%	62.5%

Acceleration

- Gives meaning to statutory use of term “accelerate”
- At least one credit or clock hour in the payment period must be attributable to the student’s next academic year
- Not “grade progression”
- Must be applied for required recalculation.
- Applies beginning with the 2010-11 Award Year

Non-Applicable Credit or Clock Hours

- Eligibility for the 2nd Scheduled Award may not use
 - Advance Placement (AP) programs
 - International Baccalaureate (IB),
 - Testing out,
 - Life experiences or
 - Similar competency measures

13

34 CFR 690.67(c)



Special Circumstances

- Financial Aid Director may
 - Waive hours attributable to 2nd AY if
 - Circumstances beyond student's control
 - Individual basis determination
- Documentation always required

14

34 CFR 690.67(c)



Special Circumstances

- Waiver includes, but not limited to
 - Withdrawals – due to illness
 - Inability to register – classes not offered
- Waiver does not include
 - Withdrawals to avoid a bad grade
 - Not registering due to a particular instructor

15

34 CFR 690.67(c)



Transfer Students Options

- Assumption Method
- Hour-earned Method
- Receipt of Additional Information
- School's policy options:
 - Student by student
 - Single method to all students in a program
 - Program by program

16

34 CFR 690.67(b)



Transfer Example – Assumption Method

- Receives 100% of 1st Schedule Award at School A then transfers to School B
- **What should School B do under the Assumption Method?**
 - Assume completed the credit or clock hours in the 1st Academic Year

17



Transfer – Assumption Method

- Receives < 100% 1st Scheduled Award at School A, then transfers to School B
- **How does School B determine eligibility?**
 - Use Formula for credit/clock hours

$$\text{Pell disbursed} = \text{School A} * \text{Credit/clock hours in AY} - \text{School B} \\ \text{Amount of Scheduled Award} - \text{School A}$$

18



Transfer – Assumption Method

- Sample Formula for < 100 % received:

$\frac{\$4,900 \text{ disbursed at Prior} * 24 \text{ in your AY}}{\$5,350 \text{ scheduled at prior school}}$

= 21.9 hours

Round **down** to 21 hours
(unless school uses partial hours)

19



Transfer – Hours Earned Method

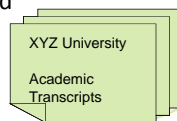
- Hours Earned Method optional
- Must have time period when hours earned (credit or clock hours)
- Exclude AP, IB, testing out, life experiences
- Must attribute to the current award year any credits/clock hours earned at other schools (including crossover)

20



Transfer Students Options

- Receipt of additional information
 - **During** the payment period
 - Adjust if necessary
 - **After** payment period ends
 - No adjustment required



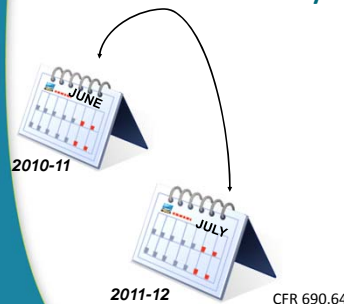
34 CFR 690.67(b) 4

21



Crossover Payment Periods

- contains 6/30 and 7/1
- mini-sessions may be combined



CFR 690.64

22



2009-10 Crossover Transition

- 2009-2010 Award Year
 - Must have developed 2010 cross-over written policy prior to July 1, 2010 based on HEOA, DCL GEN-08-12, and good faith.
- 2010-2011 Award Year
 - If awarding from 2010-2011 and beyond (including summer 2010 cross-over) new regulations do apply.

23



2009-10 Crossover Transition

- Written policy established **on or after** July 1, 2010
 - Rules apply for both years–
 - Must pay higher of student's 2009-10 or 2010-11 award.
 - If 2009-10 higher, acceleration rule applies, regardless of school's policy.
 - If student has not progressed to next academic year, student not eligible for 2009-10 award, therefore pay Pell from 2010-11, if eligible.

24



2010-11 Crossover Period

- When October 29, 2009 regulation became effective – July 1, 2010:
 - 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

* 2009-10 crossover exempt if school treats as part of 2009-10 award year

25



Comparing Award Years For Summer 2011

- Term dates 5-23-11 to 8-19-11
- Initial 2010-11 calculation made prior to term start
- Summer census date 6-3-11
- Student enrolled 18 hours at census date
- 2010-11 award finalized at full-time
- 6-8-11 student withdraws from 4 hour course
- 8-19-11 grade for 4 hour course as "Unearned F"
- 2011-12 ISIR processed on 8-30-11
- How many hours used for 2011-12 Pell award?



Crossover Payment Periods

- 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.
 - For other aid, EFC and COA can be from the other year, but must be the same for those programs.
 - Amount of Pell is EFA for other aid.

27



Examples of Payment from Two Scheduled Awards (Academic Year Progression)

CFR: 690.63(h)

28



Semester Academic Year Progression

Assumes academic year defined as 24 hours



First Scheduled Award

Second Scheduled Award

2 Hours to Prior Academic Year
4 Hours for New Academic Year
Pay One-Half Time in Second Scheduled Award

29



Semester Academic Year Progression

Assumes Academic Year defined as 24 hours



First Scheduled Award

Second Scheduled Award

Six Hours to Prior Academic Year
No Hours for New Academic Year
Cannot pay second Scheduled Award
May pay from 2011-12 Award Year



Semester Academic Year Progression

Assumes Academic Year defined as 24 hours

Fall 2010 F/T Paid 7 Hours Earned	Spring 2011 F/T Paid 6 Hours Earned	Summer 2011 Enrolled in 12 Hours ELIGIBLE
--	--	--

First Scheduled Award Second Scheduled Award

Eleven Hours to Prior Academic Year
One Hour for New Academic Year
Pay F/T (50%) in
Second Scheduled Award
(Assume 2010-11 is higher award)

START HERE GO FURTHER FEDERAL STUDENT AID

Semester Academic Year Progression

Assumes Academic Year Defined as 24 hours

Fall 2010 F/T Paid 9 Hours Completed	Spring 2011 F/T Paid 9 Hours Completed	Summer 2011 Enrolled in 6 Hours NOT ELIGIBLE
---	---	---

First Scheduled Award Full-Time Second Scheduled Award

Six Hours to Prior Academic Year
No Hours for New Academic Year
May pay from 2011-12 Pell Eligibility

START HERE GO FURTHER FEDERAL STUDENT AID

Semester Academic Year Progression

Assumes Academic Year Defined as 24 hours

Summer 2010* F/T Paid 9 Hours Completed	Fall 2010 F/T% Paid 6 Hours Completed	Spring 2011 Enrolled in 9 hours NOT ELIGIBLE 0% paid 9 Hours Completed	Summer 2011* Enrolled in 6 Hours ELIGIBLE Paid 1/2 time
--	--	--	---

First Scheduled Award Full-Time 2nd Scheduled Award

*Assume Summers part of 10/11 award year

9 hours prior AY 0 hours 2nd AY	0 hours prior AY 6 hours 2nd AY
------------------------------------	------------------------------------

START HERE GO FURTHER FEDERAL STUDENT AID

Quarter Academic Year Progression

Assumes Academic Year Defined as 36 hours

Fall 2010 3/4-Time Paid 10 Hours Earned	Winter 2011 3/4-Time Paid 9 Hours Earned	Spring 2011 F/T Paid 12 Hours Earned
--	---	---

First Scheduled Award

Summer 2011 Enrolled in 6 Hours ELIGIBLE
--

Five Hours to Prior Academic Year
One Hour for New Academic Year
Pay 1/2-time. (16% remaining in First Scheduled and 1% in the Second Scheduled Award)

START HERE GO FURTHER FEDERAL STUDENT AID

Clock Hour Example

Student may receive up to TWO Scheduled Awards
1500 clock hour program AY = 900 hours/26 weeks
Student's Scheduled Award is \$5,550 for 2010-11

450 hours/13 weeks \$2,775	450 hours/13 weeks \$2,775	166.6% 2010-11 AY
2010-11 Award Year		
300 hours/8 weeks \$1,708	300 hours/8 weeks \$1,707	61.5% 2011-12 AY
2010-11 Award Year		

START HERE GO FURTHER FEDERAL STUDENT AID

Clock Hour Crossover Example

Student may receive up to TWO Scheduled Awards
2000 clock hour program AY = 900 hours/26 weeks
Student's Scheduled Award is \$5,550 for 2010-11 and 2011-12

450 hours/13 weeks Aug to Nov \$2,775	450 hours/13 weeks Dec to Apr \$2,775	450 hours/13 weeks May to Aug \$2,775	150.0% 2010-11 AY
2010-11 Award Year			
325 hours/8 weeks Aug to Sept \$1,692	325 hours/8 weeks Sept/Nov \$1,692	61.5% 2011-12 AY	
2011-12 Award Year			

START HERE GO FURTHER FEDERAL STUDENT AID

Operational Considerations

37



- ## COD/EDEXpress and Two Pell
- New field added to COD/EDEXpress – Additional Eligibility Indicator (AEI)
 - School sets AEI to yes or ✓ on origination record when awarding any part of second scheduled award
 - AEI student will not trigger POP MRR but will trigger concurrent enrollment MRR

38



COD and AEI

Value = Yes or No

39



Updating COD and AEI

Step 1:
Click:
-Person
-Pell
-Award Detail
-Update Award

Click here to access the AEI Update

40



Updating COD and AEI

Step 2:
Must check the AEI box to set the flag.
And receive your funds!
\$\$\$\$\$\$\$\$

Click on the box to set flag

41



View the AEI Flag

Value = Yes or No

42



NSLDS and AEI on ISIR

- Added to ISIR record

```
#Pell Payment Data:
Sch.Code: 99999999 Tran: 99 Sch.Amt:$9999 Award Amt:$9999 Disb.Amt:$9999 AEI: X
% Sch Awd Used by Award Yr: 999.9999 As Of: MM/DD/YYYY Pell Verification Play: X RPT:9999
Access NSLDS for additional Pell Data.
```

- The valid content for these fields are:
 - Y = Student received additional Pell award funds in excess of a single year’s award
 - N = Student received a single Pell award

44

Funding Availability

- For 2010-11, schools were able to view and draw down 2010-11 Pell Grant Initial funds in G5 on **Tuesday, May 25, 2010**.
- COD could accommodate by May 26, 2010
- 2011-12 funding is available shortly after Pell Payment Scheduled released

45

Cross-Over Pell Reporting

- If Pell disbursements must change Award Years due to requirement to pay largest payment:
 - In COD, cancel disbursement from the incorrect year and re-originate and enter actual disbursement amount under the correct award year.
 - In G5, Business Office will do a draw-down adjustment reassigning the Pell disbursement to the correct Award Year and draw down any additional Pell funds from the proper Award Year if necessary.
 - For FISAP, if reassignment needs to be reported, use Dec 15 correction date.

46

Final Reminders

- Schools can not ignore
 - Crossover payment periods
 - Intersessions
- Must pay eligible students
- Must implement, regardless of software limitations
 - Process manually, if necessary

47

Contact Information

Contact me at: Michael C. Roberts 404-974-9313 michael.roberts@ed.gov	Contact my supervisor at: Thomas Threlkeld 617-289-0144 thomas.threlkeld@ed.gov
--	--

Any Questions Or Feedback

48