A Guide to Year-Round Federal Pell Grants
How’s it going?
• Year-round Pell overview
  • Legislative background
  • General requirements
• Unchanged Pell rules
• Changed Pell rules
• Examples
• YRP Operations
• Group Discussion
Year Round Pell Overview
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
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.
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
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
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.
Changed Pell Rules
Changed Pell Rules

- Scheduled Award limitation
- Enrollment status
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
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.
Additional Pell - Clock Hour

Clock Hour Program: 1215 Clock Hours / 41 Weeks

8/7/17

450 Clock Hours
PP 1
50% Used

3/9/18

450 Clock Hours
PP 2
50% Used

3/12/18

315 Clock Hours
PP 3
35% Eligible

5/25/18

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
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
Semester Example

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

<table>
<thead>
<tr>
<th>Semester</th>
<th>Time</th>
<th>Award Amount</th>
<th>Percentage of Scheduled Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 2017</td>
<td>Three-Quarter-Time</td>
<td>$2,014</td>
<td>37.5046%</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>Full-Time</td>
<td>$2,685</td>
<td>50.0000%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Percent of Initial Scheduled Award is 87.5046%</td>
<td></td>
</tr>
<tr>
<td>Spring 2018</td>
<td>Full-Time</td>
<td>$2,685</td>
<td>50.0000%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Must be half-time to receive any additional Pell amount)</td>
<td></td>
</tr>
</tbody>
</table>
**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.
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.
Additional Pell – Standard Term

Additional Pell: Example 2 (Semesters)

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 the Summer Term.

Initial Scheduled Award = 37.5%
Additional Pell = 12.5%
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%
Additional Pell – Transfer Students

Student Transfer to New School on 1/8/2018

- **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.
<table>
<thead>
<tr>
<th>Period</th>
<th>Time Status</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer 2017</td>
<td>Less-Than-Half-Time</td>
<td>12.5046%</td>
<td>$671.50</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>Full-Time</td>
<td>50.0000%</td>
<td>$2,685</td>
</tr>
<tr>
<td>Spring 2018</td>
<td>Full-Time</td>
<td>50.0000%</td>
<td>$2,685</td>
</tr>
<tr>
<td>Summer 2018</td>
<td>Half-Time</td>
<td>25.0000%</td>
<td>$1,342.50</td>
</tr>
</tbody>
</table>

Pell Cross Over Payment Periods

**Paid as Header from Initial Scheduled Award**

2017-18 | 2018-19

**Pay as Trailer from Initial Scheduled Award or Header for 2018-19**
Year-Round Pell Operations
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
**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
  - \( \text{TEU Max} = 100\% + |\text{Net of Closed School Adjustments for AY}| \)
- If the AEI is “true” by at least one school in the AY, and actual disbursement amount > $0
  - \( \text{TEU Max} = 150\% + |\text{Net of Closed School Adjustments for AY}| \)
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
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
Example #1 - AEI Change

School
- Term-based Formula 1
- 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 X 1.5 = $8,355 (150% of 5570)
- AEI submitted to COD as “true” on 10/17/17
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.

Example #1- AEI Change

Registers for only 3 hrs. (< HT)

Summer
12 hrs. (FT)

Fall Semester
18 hrs. (FT)

Pell Recalculation done for < HT

Spring Semester

Summer Disb. = $ 2,785.00 (50%)
Fall Disb. = $ 2,785.00 (50%)
Spring Disb. = $ 696.50 (12.5044%)
TEU = 112.5044%
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
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
Example #2- POP with AEI

School A
- Term-based, Formula 1
- Trans. 01, EFC= 0
- 17-18 COA $12,500
- SFPG = 5920
- Eligibility Used =110%
- AEI= “true”

School B
- 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
YRP- Example #1-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
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?
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
Discussion

What is your institution’s strategy for implementing Year Round Federal Pell Grant?

How has YRP impacted student enrollment at your school?

Any challenges, lessons learned?
QUESTIONS?/Contact info

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