

### Year Round Pell

**Year-Round Federal Pell Grants**  
Kansas Spring Conference

David A. Bartlett | April 2018  
U.S. Department of Education

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**Agenda**

- Legislative Background
- General Requirements
- Unchanged Pell Rules
- Changed Pell Rules
- Operation Aspects of Year-round Pell

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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
- Effective beginning with the 2017-18 award year
- Applies to the summer of 2017 ONLY IF treated as a header to 2017-18
- DCL GEN 17-06 issued June 19, 2017

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### Year Round Pell

**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 for which the student received the additional Pell Grant funds
- Additional Pell Grant will be included in the student's 600% maximum Pell Lifetime Eligibility Used (LEU)

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**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 Pell Grants 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

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### Year Round Pell

**Unchanged Pell Rules**

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

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**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

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**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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### Year Round Pell

**Changed Pell Rules**

- Scheduled Award limitation
- 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

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**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

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### 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

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

Summer 2017 (assigned to the 2017-18 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	Award - \$2,685 which is 50.0000% of the Scheduled Award**
Total Percent of Initial Scheduled Award is 87.5046%		

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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 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.

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### Year Round Pell

#### Required Recalculation Module Example

- Standard term, semester-hour program with a summer term comprised of two modules
- Student is enrolled half-time during summer 2018
  - 100% of 2017-18 initial Scheduled Award has been paid for fall/spring
  - Payment for the payment period will be from additional 2017-18 Pell

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#### Required Recalculation Example - Conclusions

- 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 2017-18 additional Pell
  - Payment may be made from the initial 2018-19 Scheduled Award

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## Operational Guidance

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### Year Round Pell

**Year-round Pell Grants-Operations**

**Resources**

- [June 20, 2017 EA](#) -- provides preliminary COD System implementation information and school processing timeline
- [Updated 17-18 COD Technical Reference –posted 8/30/17](#)
- [October 4, 2017 EA](#) – The COD 16.2 Implementation documentation
- For more technical information on Year-round Pell consider attending conference Session #14 – *COD Update*

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**Year-round Pell Grants-Operations**

**Operation Aspects of Year-round Pell**

- Additional Eligibility Indicator (AEI)
- Total Eligibility Used (TEU) calculation
- Origination & Disbursement Edits
- Reporting Tools
- Examples
  - Late AEI changes
  - AEI changes and Potential Overaward Project (POP)

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**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

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**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  
**TEU Max = 100% + |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  
**TEU Max = 150% + |Net of Closed School Adjustments for AY|**

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**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

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**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*

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### Year-round Pell Grants-Operations

**COD Reporting tools with the AEI**

- Pell Grant Multiple Reporting Record (MRR) (*position 449*)
- Pell Grant Reconciliation Report Record (*position 97*)
- Pell Grant Year-to-date Record (*position 251*)
- Pell POP Report (*column V in new CSV format*)

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### Example #1- AEI Change

**School**

- Term-based Formula 1, Pell 'correcting' option
- 17-18 COA \$36,435

**Student**

- Full-time senior
- 17-18 EFC = 310
- 17-18 SFPG = 5570
- Packaged in June 2017 for 150% Pell
- $5570 \times 1.5 = \$8,355$  (150% of 5570)
- AEI submitted to COD as "true" on 10/17/17

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### Example #1- AEI Change

Registers for only 3 hrs. (< HT)

Summer 12 hrs. (FT) | Fall Semester 18 hrs. (FT) | Spring Semester 3 hrs. (< HT)

Pell Recalculation done for < HT ⚠️

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.

Summer Disb.	= \$ 2,785.00 (50%)
Fall Disb.	= \$ 2,785.00 (50%)
Spring Disb.	= \$ 696.50 (12.5044%)
TEU	= 112.5044% ⚠️

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**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*

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**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

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**Example #2- POP with AEI**

<b>School A</b>	<b>School B</b>
• Term-based, Formula 1	• Term-based, Formula 1
• Trans. 01, EFC= 0	• Trans. 03, EFC= 433
• 17-18 COA \$12,500	• 17-18 COA \$19,920
• SFPG = 5920	• SFPG = 5470
• Eligibility Used =110%	• Eligibility Used =40%
• AEI= "true"	• AEI not submitted

**TEU = 150%**

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### Example #2- POP with AEI

**School A**  
Summer | Fall Quarter | Winter Quarter

**School B**  
Fall Semester Non-Attendance (1/4/18) | Spring Semester

Withdraws 1/2/18

**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%.**

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### 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

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### 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
- 2<sup>nd</sup> 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

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### Year Round Pell

**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?

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**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

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**Contact Information**

Contact me with follow-up questions about this session:

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**Contacts**

- Kansas City School Participation Team
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- Go to: <https://s.zoomerang.com/s/DavidBartlett>
- Evaluation form is specific to David A. Bartlett
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for "listening" to our customers
- Additional feedback about training can be directed to Mark Gerhard at [mark.gerhard@ed.gov](mailto:mark.gerhard@ed.gov)



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**QUESTIONS?**



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