Overview of Federal Pell Grant and Campus Based Programs

Kim Wells
U.S. Department of Education
Federal Student Aid

Four Commandments of FSA Programs

I. There is ALWAYS an exception
II. The correct, albeit frustrating, answer is often “It depends”
III. Logic has very little to do with the FSA Programs
IV. When puzzled, review the first three commandments

The Federal Pell Grant Program

For discussion purposes only
U.S. Department of Education
Why “Pell” Grant?

Claiborne Pell
(November 22, 1918 - January 1, 2009) was a United States Senator from Rhode Island, serving six terms from 1961 to 1997. He was best known as the sponsor of the Pell Grant.

What is a Pell Grant

- Foundation of all Federal Student Aid programs
- Free money – does not need to be repaid (usually)
- Some students will qualify and some will not
- Amounts range from $596 to $5,920
- Amount is determined by
  - Expected Family Contribution (EFC)
  - Cost of Attendance (COA)
  - Enrollment status

Maximum Amounts

- Must read DCL GEN-16-19
- Maximum Scheduled Award for 2017-18
  - $5,920
  - $105 increase from 2016-17 amount
- Maximum Eligible EFC – 5328
How Does A Student Apply For A Pell Grant?

Must submit the Free Application For Federal Student Aid (FAFSA)

What Happens After A Student Submits The FAFSA?

• Student’s EFC is calculated
• EFC Formula
  • written in law
  • defined in regulations

How Is The Amount Calculated?

• School uses COA (which it determines) along with EFC (which ED determines) to calculate amounts for each student
Pell Definitions

Scheduled Award (34 CFR 690.63(g))
The maximum Pell Grant a student with a given EFC and COA can receive if enrolled full-time for a full academic year

Annual Award (34 CFR 690.2)
For term-based, credit-hour programs, it is based on the student’s true enrollment status (full, ¾, ½ or less than ½)

Pell Payment Schedule
You obtain this yearly from IFAP.ED.GOV

EFC range is horizontal
COA range is vertical
Still Don’t Get It?
Think of the old game we used to play

“D-7”

“Hit!”

There Are Five Pell Formulas

Formula 1 - Credit hour program with terms
- At least 30 weeks of instructional time, no overlap

Formula 2 - Credit hour program with terms
- Less than 30 weeks of instructional time, no overlap

Formula 3 - Credit hour program with non-standard terms
- Terms may overlap, more or less than 30 weeks

Formula 4 - Clock Hour and Credit hour program without terms

Formula 5 - Correspondence Study

Formula 1 Summary

- Standard term, credit hour programs
- 30 weeks of instructional time
- Full-time status is at least 12 credit hours
- Academic calendar includes 2 semesters/trimesters or 3 quarters
- No overlapping terms
**Step 1: Determine Enrollment Status**

- Full-time: at least 12 credits
- 3/4 time: at least 9 credits
- 1/2 time: at least 6 credits
- < 1/2 time: fewer than 6 credits

**Step 2: Calculate Pell Grant COA**

- General rule
  - Use full-time, full-year costs
- Exception to general rule
  - When student is attending less than 1/2 time, use full-time, full-year costs for each allowable component
    - Some components not allowed for less than 1/2 time enrollment
      - No miscellaneous and personal expenses
      - Limited allowance for room and board

**Step 3: Determine Annual Award**

- Use student’s cost of attendance and EFC to find annual award on Payment Schedules
Step 4: Determine Payment Periods

- Standard term programs use the term as the payment period
  - Semesters, trimesters, quarters

Step 5: Payment Per Payment Period

Annual Award

# of payment periods in academic year

Final Step: COD

- Send origination records electronically to COD
- Send actual disbursement records electronically to COD
  - No funds in G5 until COD accepts the records
  - Disbursement date must reflect actual date of disbursement
- Resolve all rejects!! (see COD Technical Reference, Volume II, Section 4: Edits)
Pell Duration of Eligibility

Consolidated Appropriations Act, 2012 –
- Establishes the duration of a student’s eligibility to receive Pell Grant to be 12 semesters or its equivalent.
- Effective with the 2012-2013 award year.
- Applies to all students.
- Includes all years of the Pell/Basic Grant Program.
- Back to the 1973-1974 Award Year.
- See DCL GEN-12-01 and various Electronic Announcements and Tech References.

Pell Duration of Eligibility

- Calculate the 12 semester equivalency by adding together each of the annual percentages of a student's scheduled award that was actually disbursed to the student.
- Results in LEU – Lifetime Eligibility Used.
- Once LEU reaches 600%, student no longer eligible for Pell Grant funding.
- If LEU more than 500% but less than 600%, partial eligibility for the award year.

Where Can I Get More Info?

- Volume 3, Chapter 3 of Federal Student Aid Handbook is dedicated to Pell Grant program.
- You can become an expert in the Pell Grant program by studying this chapter.
The Campus-based Programs

Why Do We Call Them the Campus Based Programs?

• Called “Campus Based” because your school determines who gets money from programs and how much
• Regulations define who is eligible for Campus Based funds
• You build your Campus Based awarding policies and procedures around those regulations
• Stick to your P&P or you'll have compliance issues!

What Are The Campus Based Programs?

• Federal Perkins Loan
• Federal Supplemental Educational Opportunity Grant Program (FSEOG)
• Federal Work-Study Program (FWS)
Perkins Loans

- Your school is the lender, not a bank or Uncle Sam
- Students repay your Perkins revolving fund
- New funds are then lent to borrowers
- Fixed 5% interest rate
- Funds may depend on availability
- Many schools use a servicer to handle repayment
- Will be a separate repayment note than DL/FFEL

Perkins Loans

- Perkins expected to end as an FSA Program on September 30, 2017
  - Couple of exceptions

Perkins Loans

- See Dear Colleague Letter GEN-16-05

<table>
<thead>
<tr>
<th>Undergraduate Students</th>
<th>To an</th>
<th>Who, on the date of disbursement—</th>
<th>If the school has awarded the student</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30, 2017</td>
<td>Eligible undergraduate student</td>
<td>Has an outstanding balance on a Perkins Loan made by the school.</td>
<td>All Direct Subsidized Stafford Loan aid for which the student is eligible.</td>
</tr>
<tr>
<td>September 30, 2017</td>
<td>Eligible new undergraduate student</td>
<td>Does not have an outstanding balance on a Perkins Loan made by the school.</td>
<td>All Direct Subsidized and Unsubsidized Stafford Loan aid for which the student is eligible.</td>
</tr>
</tbody>
</table>
Perkins Loans

- See Dear Colleague Letter GEN-16-05

<table>
<thead>
<tr>
<th>Graduate Student</th>
<th>To whom</th>
<th>If the graduate student is an academic program at the school.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible graduate student who has received a Perkins Loan before October 1, 2016.</td>
<td>September 30, 2016</td>
<td>Enroll in an academic program.</td>
</tr>
<tr>
<td>Received his or her most recent Perkins Loan from the school.</td>
<td>Enroll in an academic program.</td>
<td></td>
</tr>
<tr>
<td>And the new Perkins Loan will</td>
<td>Enroll in an academic program.</td>
<td></td>
</tr>
</tbody>
</table>

Federal Supplemental Educational Opportunity Grant Program

- For students with greatest amount of financial need (typically zero EFCs)
- Must be Pell grant recipient
- Limited funding
- Amounts range from $100 to $4,000 per year
- Determined by school
- Must make reasonable effort to make funds available year round

Federal Work Study Program

- Provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses
- Undergraduate or Graduate student
- Limited funding
- Pays at least minimum wage
- Students must be paid at least monthly
- Students cannot work during scheduled class time
Campus-based Programs

• Some schools participate and others don’t
• Some participate in 1, 2 or all 3 CB programs
• Schools apply using the FISAP
  • https://cbfisap.ed.gov/ecb/CBSWebApp/

Some Common Elements

• Your school must apply to participate in Campus Based Programs
• Your school’s Program Participation Agreement (PPA) must contain language that encompasses how these programs will be administered
• Annual reporting and application (FISAP) is required thereafter
Recipients Must Have Need

- In order to be considered for CB funds, the student must have financial need
- COA – EFC – EFA = Need

Institutional Allocations

- In February, ED posts tentative award notifications to institutions
- In April, ED posts final award notifications to institutions
- These are posted at https://www.cbfisap.ed.gov
- FWS and FSEOG require institutional matching of at least 25%
- Total amount of funds depends on Federal funds and institutional match

Administrative Cost Allowance

- Your school can keep 5% of the first $2,750,000 CB expenditures for ACA
- ACA is used to offset cost of administering the Campus Based programs
- Some schools roll this amount into overall funds disbursed to students and some take ACA
How Do I Get Funds?

- FWS and FSEOG funds drawn down by your Business Office from the G5 system
- Perkins funds loan from your Perkins revolving fund
- Currently, no Federal Capital Contribution (FCC) for Perkins
- Communicate closely with your Business Office when they draw down funds
- Only draw down what you have immediate need for

Where Can I Get More Info?

- Volume 6 of Federal Student Aid Handbook is dedicated to Campus Based Programs
- You can become an expert in the Campus Based programs by studying this volume
- See FSA Assessments on IFAP

Contact Information

For questions about this presentation:

Kim Wells
kimberly.wells@ed.gov
206.615.2174

Your Region X Training Officer through January 2018:

Virginia Hagins
virginia.w.hagins@ed.gov
415.269.3515
Training Feedback

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

https://www.surveymonkey.com/r/KimberlyWells

Please provide any comments regarding this training or the trainer to:

Jo Ann Borel, Title IV Training Supervisor
joann.borel@ed.gov

Question Time!