

Pell Grants

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Federal Pell Grant Program

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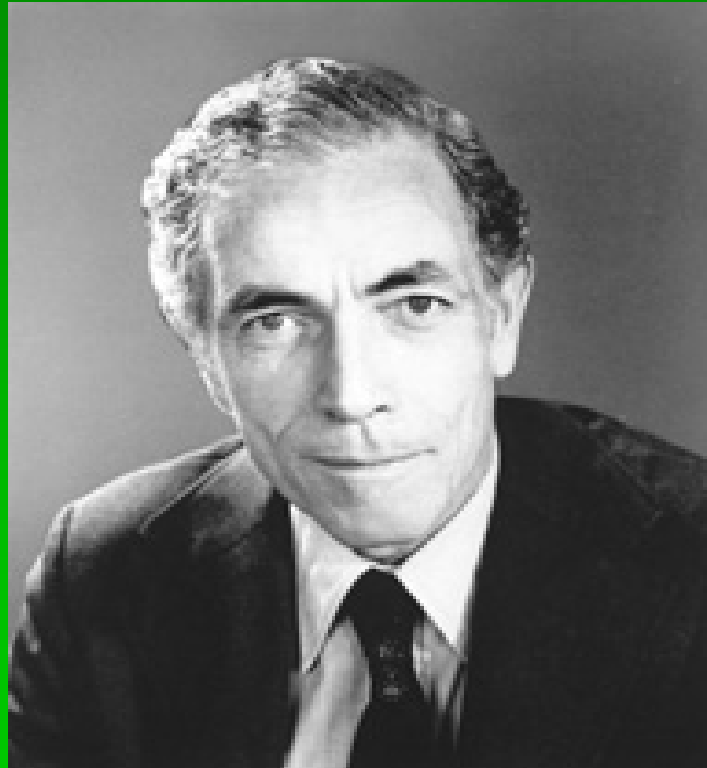
SUNY Cortland

For the Summer 2007 Novice
Workshop

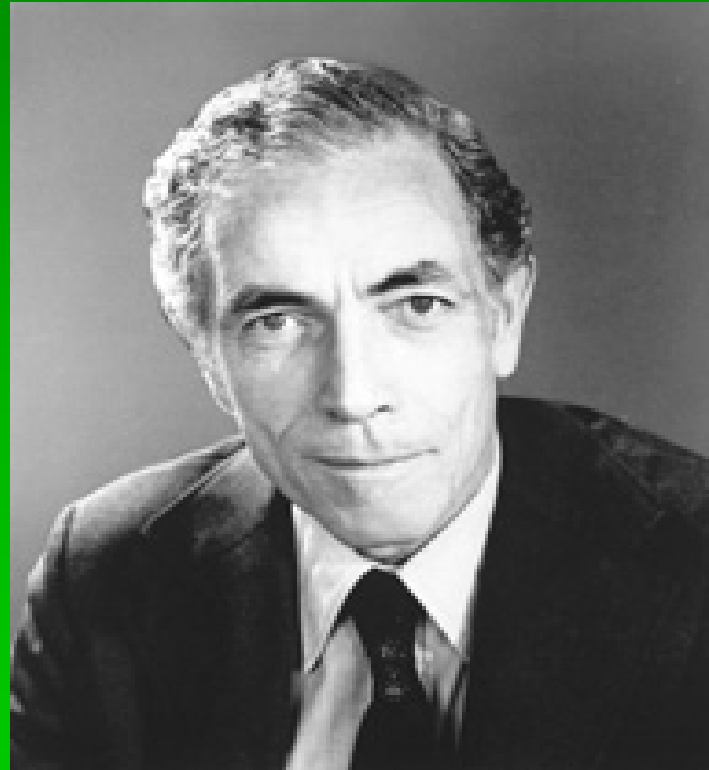
A Little History

- The Pell Grant was originally known as the Basic Education Opportunity Grant (BEOG)
- It was the first federal grant, that if a student was eligible, he/she would receive this grant at **any** school if the cost of education was above the minimum. Not an issue in N.Y.
- Originally had its **own application** and a **separate need analysis system**.
- Was intended to be the first financial aid awarded and the “floor” of the financial aid package

The \$4,310 question!
Who is this?



The answer to the question!



Senator Claiborne Pell

More History

- A number of years ago, it was re-named in honor of Senator Claiborne Pell from Rhode Island
- Eligibility was determined by the FAFSA
- The EFC was used as an eligibility index and a factor in the awarding of all other federal student aid
- The EFC and charts were used to determine the Pell Award

Important Terms

- **Scheduled Award** - the maximum award that a student can receive during the award year
- **Award Year** – Begins on July 1 of one year and ends on June 30 of the next year
- **Annual Award** - is the maximum award a student would receive during the full academic year for a given enrollment status.

For a full-time student the annual award is the same as the Scheduled Award. At a term based school, a part-time student will have an annual award that is less than the scheduled award.

Terms and Payment Periods

- Generally, if all the coursework is scheduled to be completed within a specific time frame, it is considered term based.
- Term-based programs can be standard terms or nonstandard terms
- Pell Grant is calculated differently for these types of terms.

Standard Terms

- Standard terms are semesters, trimesters, or quarters
- A semester is about 14 to 17 weeks in length
- Full-time is defined as at least 12 credit hours
- The program's academic calendar generally is 3 terms: fall, spring, summer

Standard Terms - Quarter

- Standard terms are quarters
- A semester is about 10 to 12 weeks in length
- Full-time is defined as at least 12 quarter hours
- The program's academic calendar generally is 4 terms: fall, winter, spring, summer

Application Process & Student Eligibility

Filing the FAFSA

- Student will receive, usually by electronic media, a Student Aid Report (SAR)
- Or a request for additional information
- Will receive a SAR regardless of eligibility
- Contains a great deal of information
- No longer has to deliver it to the school
- Must be processed by CPS while enrolled (still a sticky point)

Institutional Student Information Record (ISIR)...

Yes, Sir that's my ISIR!!!

- Sent electronically to the school every time student or school initiates change
- "PUSH" ISIR is sent when there are changes noticed by Central Processing System (CPS)
- Contains same information as the SAR, plus additional FAO information
- Valid FAFSA must be processed by CPS by last day of enrollment.

Eligibility Requirements

- Undergraduates only
- First baccalaureate degree only
- May be enrolled less than half-time, half-time, three quarter time or full time unlike some of the other federal programs
- Must meet all of the same requirements as defined by the "General Provisions"

Standard & Non-Standard Term Schools

- Term-based Schools

Divide the annual award by # of terms in academic year. Must round to avoid pennies.

- Clock Hour Schools

- 900 clock hours = academic year

- 450 clock hours = half academic year

Pell Grant Formulas

- Formula 1: Standard Term with academic calendars of 30+ weeks:

The award is divided by the terms in the fall through spring

- Formula 2: Standard Term with academic calendars of less than 30 weeks:

The award is prorated by the number of weeks in a term using at least 30 weeks in an Academic Year. (See appendix A)

Pell Grant Formulas

- Formula 3: Payments for non standard terms of unequal length.
- Formula 4: Clock –hour and nonterm credit–hour programs.
- Formula 5: Correspondence Study
- Summer Terms & Other crossover payment periods (See page 3-38 to 3-41)

Pell – Other issues

- Must check NSLDS before awarding any transfer student
- Cannot receive any Pell in excess of Scheduled Award in an award year
- For example: (one term remaining at new school) Scheduled Award = \$1,700
receives at school A a Pell = \$1,003
 $\$1,003 / \$1,700 = 59\%$
Remaining eligibility at school B is 41%
 $\$1,700 \times 41\% = \861

Pell – Other issues

- If EFC changes, recalculate for the whole year
- Change of enrollment during term, no calculation required (unless school policy)
- Change of enrollment between terms, recalculation is required
- Summer if crossover, can come from either academic year using the appropriate EFC

Calculating a Pell Grant

Things you need to know...

- Enrollment status: full-time, 3/4 time, 1/2 time or less than half-time ($>1/2$)
- Cost of Attendance for a full-time student
- The EFC for the student
- Scheduled award amount

Payment Schedules

Refer to your handouts!!

Ground Rules

- **Doing Math:**
- To multiply $\$2,150 \times 10/30$:
 - Multiply $2,150 \times 10$
 - Then divide $21,500 \div 30 = 716.67$
- Note difference: $2,150 \times 1/3 = 716.595$
- **Rounding:**
- COD can accept cents in payment amounts
- .50 round up, .49 or below, round down
- Can receive extra \$1 in the first term and less \$1 in the next term

OK...Let's do the math!

- School is semester based,
- Student's EFC is \$1,234,
- Annual COA is \$15,682,
- The student is full-time in the fall and half-time in the spring semester

...doing the math cont.

- What is the "scheduled" award?
- \$3,060
- What is the fall award?
- \$1,530
- What is the spring award?
- \$765

OK...Let's do the math!

- School is semester based,
- Student's EFC is \$1,234,
- Annual COA is \$15,682,
- The student is **half-time** in the fall and **half-time** in the spring semester

...doing the math cont.

- What is the "scheduled" award?
- \$3,060
- What is the fall award?
- \$765
- What is the spring award?
- \$765

Consortium Agreements

- Student may not receive a Pell Grant payment at more than one institution per payment period (semester).
- Schools may coordinate, with a consortium agreement (written agreement), the payment of a Pell Grant based on the enrollment at two or more schools.

Verification - Issues

- If verification is completed after the last day of classes, and corrections are made that “reduce” the EFC, schools may only pay on the higher EFC.
- If verification is completed after the last day of classes, and corrections are made that “increase” the EFC, schools must use the higher EFC.

Professional Judgment

- Professional Judgment may be used as with other Title IV programs.
- Professional Judgment adjustments must be sent to CPS for Pell eligible students.

Just when you thought
the water was safe.....

Higher Education Reconciliation Act
(HERA) has created two other grant
programs for Pell eligible students!!!



Deficit Reduction Act of 2005 (Public Law 109-171)

- Academic Competitiveness Grant (ACG)
- National “Science and Mathematics Access to Retain Talent (SMART)” Grant

Funding

- Not subject to annual appropriations process (mandatory funding),
- Funds not spent in one year are carried over to subsequent years.
 - 2007-08 \$850 million
 - 2008-09 \$920 million
 - 2009-10 \$960 million
 - 2010-11 \$1.01 billion

Requirements & Award Amounts

- Both ACG and SMART Grants require recipients to be:
 - Enrolled at a 2 yr or 4 yr institution
 - Full-time
 - U.S. Citizens (NOTE: Eligible non-citizens are NOT eligible for ACG & SMART) (may be changed with newest legislation)
 - Pell Grant recipients
- Award Amounts:
 - ACG – 1st year: \$ 750 (must have completed at least 24 credits with at least a 3.0 gpa)
 - ACG – 2nd year: \$1,300
 - National SMART Grant : \$4,000 a year for up to two years (last two years)

Both treated like FSEOG

- Total of EFC and all aid/resources can not exceed COA,
- Can not replace EFC,
- Student must be eligible but amount of ACG/SMART Grant not keyed to Pell index,
- Student must be in a 2 or 4-year program leading to an associate's or bachelor's degree.

Academic Competitiveness Grant (ACG)

- Year 1:
 - Must have completed a “rigorous” secondary school program of study after January 1st of the calendar year they begin their freshman year in college.
 - Not previously enrolled in a “program” of undergraduate education (taking a few classes is ok but not in a program in which the student is admitted,
- Year 2:
 - Must have completed a “rigorous” secondary school program of study after January 1st of the calendar year they began their freshman year in college.
 - For second year students must have **at least a 3.0 GPA**

ACG- Rigorous Secondary School Programs of Study

- The New York Regents Diploma with Honors or Advanced Designation
- A set of courses similar to the State Scholars Initiative.

Passing grades in the following courses:

- Four years of English
- Three years of math (including Algebra I and a higher level course such as Algebra II, geometry, or data analysis and statistics)
- Three years of science (including at least two courses from biology, chemistry, or physics)
- Three years of social studies; and
- One year of foreign language

ACG- Rigorous Secondary School Programs of Study

- Advanced Placement or International Baccalaureate (IB) courses
- Specific Test Scores
- Two (2) Advanced Placement Courses
 - Must have a score of Three (3) or higher

or

- Two (2) International Baccalaureate Courses
 - Must have a score of four (4) or higher

Length of Eligibility

- Both ACG and SMART are limited to two (2) years of full time attendance
- A student can only receive two ACG awards and two SMART awards (if in an approved program) throughout their undergraduate education
- ACG award amounts are different for each academic year
- Academic year Progression can be complicated
- Some of this issue may be changed with the new legislation

Length of Eligibility

- To illustrate:
- Student is full-time in first semester and meets the standard for a rigorous program of study; will receive a ACG for the first term.
- During the second and third semesters, he/she only goes part-time and completes 24 credits over the three terms
- Will never be eligible for the second half of the first-year's ACG award
- He/She has completed the credit hours and weeks of instruction for the first academic year of enrollment

Length of Eligibility

- The academic progression and grade levels must be considered in the eligibility for these grants.
- The institution's definition of grade levels and credits must be considered.
- Complicated, refer to the Federal Student Aid Handbook.
- An issue for students that do not follow the traditional attendance patterns.
- Some changes may be in the upcoming legislation

National SMART Grant

- Third and fourth year students enrolled in a four-year degree program,
- Have a Cum GPA of at least 3.0 in the courses of study required for major,
- No linkage to high school program of study,
- May not have received a ACG award
- Majoring in: Science, Math, or certain designated foreign languages (Homeland Security).
- CIP codes of included majors published by DOE on their website.

National SMART Grants Eligibility Determination

- No student self-identification as in ACG
- Institutions are responsible for reviewing records to identify all eligible students:
 - ISIR for Pell Eligibility, Citizenship, and other Title IV eligibility requirements
 - Academic Records for:
 - Eligible Major or, if available, intent
 - Third or fourth academic year of enrollment
 - GPA
 - Full-time Enrollment

National SMART Grant

- For the 2007-2008 academic year they have added some additional majors and their Classification of Instructional Programs (CIP) codes: Some examples-
- 01.1001 Food Science
- 01.1002 Food Technology and Processing
- 03.0104 Environmental Science
- 03.0301 Fishing and Fisheries Sciences and Management
- 03.0502 Forest Sciences and Biology
- 03.0509 Wood Science and Wood Products/Pulp and Paper Technology
- Check the GEN-07-06 “Dear Colleague Letter” for complete list

National SMART Grants Monitoring Major

- Requires that a recipient:
 - Declare an eligible major **or**
 - If school policy does not allow declaring a major in time to qualify for a SMART grant, show intent to declare an eligible major as documented by the institution
 - Student must formally declare an eligible major as soon as institutional policy allows

National SMART Grants Grade Point Average

- For all payment periods, student must have a cumulative GPA of at least 3.0
 - Includes entire program – all courses required for degree in approved major
 - Calculated as of last completed payment period
 - Reviewed prior to each disbursement
 - Schools can make an “interim disbursement” at school’s risk

National SMART Grants Monitoring Major

- Whether a student declares a major or indicates intent, he or she must enroll in coursework leading to completion of the program with that eligible major
- Institutions must have a process or processes in place to monitor that the student is making progress toward completion of the program in that eligible major

National SMART Grants Monitoring Major

- Newest Guidance: GEN-07-07
- Student must be enrolled in at least one course that meets the specific requirements of the SMART-eligible major
- For example: majoring in biology, taking a physics course; OK for SMART grant
- Taking general education courses, electives and not one course specific to SMART-eligible major; not eligible for SMART grant for that semester

National SMART Grants Monitoring Major

- If student changes to an eligible major between payment periods:
 - Eligible for new payment period
 - Cannot be paid for prior payment periods
- If student changes to an ineligible major between payment periods:
 - No grant for the new payment period
 - Prior disbursement need not be repaid

Source: USED presentation

Questions???

Have a Great Day!!