

**Federal Pell Grant Eligibility of Short-term Vocational Programs
QUESTIONS & ANSWERS**

ESI-Q1. What are the two Pell Grant experiments under the ESI?

ESI-A1. ESI Experiment #1 will allow participating institutions to award Pell Grants to otherwise eligible unemployed or underemployed students who enroll in vocational or career programs of one year or less, notwithstanding that the students have earned a bachelor's degree.

ESI Experiment #2 will allow participating institutions to award Pell Grants to otherwise eligible students who are enrolled in short-term training programs that, without the experiment, would not be Pell Grant eligible programs. [Guidance issued 4/9/2012]

ESI-Q2. Can a college be in both Pell Experiments?

ESI-A2. Yes, a college can be in both Pell Experiments. If you participate in both experiments, it is possible that a student could be selected to participate in both experiments. You will be able to identify the students with bachelor's degree who enroll in short term program as participating in both experiments. [Guidance issued 7/20/2012]

ESI-Q3. What are "treatment" groups and "comparison" groups? Will the assignment of students to either group be randomized?

ESI-A3. As was noted in the *Federal Register* notice that announced the ESI, given the costs of expanding Pell Grant eligibility based on these experiments, the Department needs to obtain the most definitive evaluation of outcomes that is possible. Thus, we are using standard experimental design protocols that require two groups of students. One group, the treatment group, will be awarded Pell Grant funds under the experiments even though under regular statutory and regulatory provisions the students in the treatment group would not be Pell Grant eligible.

The second or comparison group includes students who are as similar as possible to treatment group students except that the comparison group students will not receive the treatment – will not be eligible for Pell Grant funding, just as they would not be eligible if there were no experiments. Under this design, we attempt to eliminate, or at least minimize, as many differences between the students in the two groups as is possible. This will allow the Department to determine, to a high level of certainty, that differences in outcomes can be attributed to the treatment (receipt of a Pell Grant) and not to other factors. We need to be as sure as is possible that the only difference between the treatment and comparison group is the experimental awarding of a Pell Grant. Therefore, random assignment to the treatment and comparison groups will be required. [Guidance issued 4/9/2012]

ESI-Q4. Why is random selection required for the Pell Grant experiments?

ESI-A4. Any statutory change to Pell grant eligibility that might result from these experiments could result in significant increases in Pell Grant costs. Therefore, the most rigorous experimental design is required to support a recommendation for such a statutory change. [Guidance issued 4/9/2012]

ESI-Q5. For the comparison group, can institutions use students who are enrolled in similar programs or those who were enrolled in earlier cohorts in the same program, or some other similar group of students?

ESI-A5. No. Studies using comparison groups such as those suggested could never rule out reasons other than the treatment (receipt of a Pell Grant) that could explain differences in outcomes. For example, students who enroll in similar programs likely have different characteristics than those who enroll in the experimental program. That is, there is a reason why those students enrolled in that program and not in the experimental program. Likewise, students who enrolled in the same program but a year or two earlier are different simply because they enrolled at a different time. For example, the job market is likely to have changed over this time.

For individual institutions, these differences between the participant and comparison groups might not matter that much, and comparing outcomes might still be useful as a source of information for program improvement. But for federal student aid policy the study has to conform to a rigorous experimental design to ensure, to the greatest extent possible, that differences in outcomes are due to the offer of Pell Grants and not to other factors. [Guidance issued 4/9/2012]

ESI-Q6. How will students be assigned to either the treatment group or to the comparison group using a random assignment process?

ESI-A6. The placing of students into either the treatment or comparison group is part of a series of steps that we suggest institutions should take to identify students for the experiments, as follows:

1. Institution identifies its educational programs that provide training needed to meet local or regional workforce needs, in consultation with employers or state or local workforce agencies.
2. Institution announces/markets/recruits students.
3. Institution identifies students who are eligible to participate in the experiment. To be eligible, the student must have (1) been admitted as a regular student into the educational program and, (2) filed a FAFSA with a resulting Pell eligible EFC. Additionally, for Experiment #1, the student must demonstrate to the institution that he or she is unemployed or underemployed.
4. Institution informs potential student participants who have met the eligibility requirements above that the institution is participating in a project with the U.S. Department of Education that will allow some, but not all, students who enroll in the specific program to receive a Pell

Grant, even though the students normally would not be eligible, either because, for Experiment #1 the students have bachelor's degrees or, for Experiment #2 the program is a short-term training program.

5. Student consents to participate in the experiment. Consent includes, being placed in a random selection lottery that will determine if the student will receive a Pell Grant as part of the treatment group or will not, as part of the comparison group. Consent also includes the student (regardless of what group the student is assigned to) agreeing to provide career and employment information for the period prior to enrolling in the program and for up to two years following completion or withdrawal from the program. The Department will provide draft consent language to participating institutions.

6. Institution, using a Department-provided process, enters the student's identifiers into a random assignment application that will, in real time, assign each student to either the treatment group or to the comparison group.

7. Institution contacts student to let the student know the result of the random selection lottery - whether the student has been assigned to the treatment group and will receive a Pell Grant or to the comparison group where no Pell Grant will be provided. Institution must advise students assigned to both groups that they must comply with the conditions of the consent that the student executed.

[Guidance issued 4/9/2012]

Updated guidance to reflect change to passive consent, shared with schools during November 13, Webinar

ESI-A6. The placing of students into either the treatment or comparison group is part of a series of steps that we suggest institutions should take to identify students for the experiments, as follows:

1. Institution identifies its educational programs that provide training needed to meet local or regional workforce needs, in consultation with employers or state or local workforce agencies.

2. Institution announces/markets/recruits students. While marketing, institution informs potential student participants that the institution is participating in a project with the U.S. Department of Education that will allow some, but not all, otherwise Pell Grant eligible students who enroll in the specific program to receive a Pell Grant, even though the students normally would not be eligible, either because, for Experiment #1 the students have bachelor's degrees or, for Experiment #2 the program is a short-term training program.

3. Institution identifies students who are eligible to participate in the experiment.

To be eligible, the student must have (1) been admitted as a regular student into the educational program and, (2) filed a FAFSA with a resulting Pell eligible EFC. Additionally, for Experiment #1, the student must demonstrate to the institution that he or she is unemployed or underemployed.

4. Using the Department-provided random assignment system -

<https://www.pellexperiment.org/> - institutions enters each student's identifying and contact information. After data entry is complete, the system randomly assigns each student to either the "Award Pell Grant" group or "Do Not Award Pell Grant" group. The system will send an

email to the student informing them about the experiment. This description includes instructions on how the student can conduct the evaluators if they do not to participate in the evaluation.

5. Institution includes or excludes a Pell Grant in the student's award package based on the results on the random assignment system.

ESI-Q7. Isn't it unfair to recruit students for these experiments when we will have to tell some of them they will not be receiving a Pell grant?

ESI-A7. The opportunity is for students to be considered for a Pell Grant when, absent the experiment, none of the students would be eligible for a Pell Grant. Therefore, no applicant will be worse off with regard to Title IV funding as a result of consenting to participate in the experiment. And, each applicant who agrees to participate will have an equal chance to be chosen, at random, to receive a Pell Grant as part of the treatment group. [Guidance issued 4/9/2012]

ESI-Q8. What should we tell students when we recruit?

ESI-A8. Generally, students understand the concept of randomness (a lottery) and that it allows every participant an equal chance of being selected for the treatment.

Institutions should tell potential candidates that the federal government is providing a limited amount of Pell Grant dollars for the experiment to determine if more changes to the Pell Grant Program's eligibility requirements should be made (e.g., allowing students with bachelor's degrees to receive a Pell Grant for enrollment in short-term vocational programs or allowing very short-term training programs to be Pell Grant eligible. [Guidance issued 4/9/2012]

ESI-Q9. Regarding accreditations, do you mean on the to-do list for colleges securing accreditation, or regional accreditations, or just statewide through some of the state systems?

ESI-A9. Whatever you need based upon your status and your institution and your current accreditation, whether you need separate accreditation for this new program you're creating. You can check with our program eligibility teams if you need some help. [Guidance issued 7/20/2012]

ESI-Q10. We have two short programs for Experiment 2. These programs have already been approved by our state and are accredited. They were too short for Title IV approval. Should we proceed with getting FSA's approval now, or wait until the PPA amendment is signed.

ESI-A10. First you must have signed and received back the countersigned amendment to the Program Participation Agreement (PPA). Then you can proceed in requesting FSA's approval for short term programs.

To allow us to help expedite the FSA approval, please send a message to our mailbox

EXPERIMENTAL SITES INITIATIVE

experimentalsites@ed.gov letting us know that these programs are for the experiment. After we receive an email, we will begin working with the Eligibility Team to expedite the approvals. [Guidance issued 7/20/2012]

ESI-A10. Updated guidance 11/2/2012

Please use the attached form to request approval of short term program(s) for Pell Experiment #2 **by November 16, 2012**. You will need to submit a separate form for each program. We will not be using the Application for Approval to Participate in Federal Student Financial Aid Programs (“E-App”) for this purpose. When you have completed the form and clicked on the “Email to Federal Student Aid” button, the information will go directly to the School Participation Team Division mailbox for review and approval. The attached form is being used **only** for submission of applications for approval of Pell Experiment #2.

Please make sure you have the most recent version of Adobe Reader when filling out the form. If you need to download the most recent version please visit the [Adobe](#) web site.

If you have any questions, please contact the Experimental Sites team at ExperimentalSites@ed.gov.

ESI Team



ESI2ProgAppForm

The form does not request copies of the required state and accreditor approvals for the program. Schools need attach copies of applicable approvals to an email to the School Participation Division mailbox.

ESI-Q11. For the students in Experiment 2 (Short Term Programs) is it just Pell that they’ll qualify for?

ESI-A11. This experiment is only about exceptions for Pell grants so all the other rules apply for other programs. For a program to be eligible for aid other than loans has to be at least 15 weeks. To be loan eligible, certain programs can be as short as 10 weeks. If the short term program meets the requirements for the direct loan programs it would be possible for students to receive both a Pell Grant and a direct loan. The qualitative factors in 668.8(e) continue to apply. [Guidance issued 7/20/2012]

ESI-Q12. If a student is now eligible for Pell, can he also get FSEOG?

ESI-A12. NO. The experiment only waives program eligibility as to Pell. [Guidance issued 7/20/2012]

ESI-Q13. Will students be eligible for “ability to benefit” in Experiment 2?

ESI-A13. Not if they don't meet it by the current new rules. We're not waiving any regulations concerning ATB. So if the student does not have a high school diploma or recognized equivalent as enumerated in that Dear Colleague letter or wasn't otherwise grandfathered because they had not attended prior to July 1, 2012 then they're not eligible. [Guidance issued 7/20/2012]

ESI-Q14. As schools start to recruit students for Experiment 2, is it okay to tell students that a Pell grant could be possible for these short-term programs?

ESI-A14. Yes. But be very careful about overpromising. You want to say they may have an opportunity to receive a Pell grant and that more information will be provided. But it's permissible to use the potential for a Pell grant as part of your recruiting as long as you're clear and careful.

We do want the students to do whatever they need to do – e.g., apply for admission, fill out a (FAFSA), etc. You could find out whether they're even Pell eligible. What they can't do is enroll in a program before they've gone through the lottery. A key question for the evaluation is whether or not receiving a Pell grant prevents a student from enrolling so the lottery has to happen when students are "eligible to enroll" but before they take that action. [Guidance issued 7/20/2012]

ESI-Q15. What does it mean to be "enrolled"?

ESI-A15. Students can apply for admission but they can't begin. Enrolled has different meanings depending on the context. In this case, they cannot begin the program until they've done the consent and the random process. We want you to know whether or not they've been accepted to the program for which they applied when you put them into the random assignments. We don't want to assign someone to the treatment group if they're not accepted to the program or they're otherwise not eligible for the program. So having them apply and be accepted is ideal and it's good to do that in advance. [Guidance issued 7/20/2012]

ESI-Q16. Our school is in a very rural location and unemployment is relatively high. We need to advertise this opportunity to the public as soon as possible so that people can at least come in and to see if they're going to be eligible to apply. This is also a tool that we need to use certainly for our spring semester. Must we wait until our PPA is signed before we go public about the experiment?

ESI-A16. Timing is key. You must first have an executed PPA amendment. After that, share information with community agencies you work with, as well as training centers. Emphasize that this is an experiment and not everyone who has agreed to participate in this experiment will actually get a Pell grant but the possibility is here. It's important to get potential students to think about going to your colleges, apply for admission, and fill out a FAFSA.

It's fine to advertise and it's fine for people to know that an experiment will be offered but you can't put people in the lottery to potentially get a Pell grant if they started the program prior to the official start of the experiment. [Guidance issued 7/20/2012]

ESI-Q17. How long is the follow up period with students, once they've completed the training and we're following up with them on placement? Will follow up be in a survey?

ESI-A17. The surveys are going to be conducted between nine and 12 months after the end of their training.

One form of follow up will be a survey and the other follow-up data that we'll have is the earnings information that we're going to get from the SSA. The SSA data is on a calendar year basis. So we're going to be actually looking at the prior earnings, several years of prior earnings, prior to the student's application and enrollment into the experiments. And then as many calendar years post training as we can up until 2015 which is this last time will be able to get the data before we have to crunch some numbers and produce a report. Having good contact information, phone numbers, emails, and postal addresses will help us reach out to the students.

The Department has a statutory requirement to not share preliminary results until they have gone through a technical peer review. So while we won't be able to provide feedback along the way, after we produce our technical report, depending on the numbers of students at any institution, our plan is to be able to give the institution its own impact estimates. For confidentiality reasons, if you have fewer than 30 students who come through, we won't be able to give you that information. But for institutions that have more than 30 students, our hope is that we can give you your own tailored tables to show you what the impact looks like on enrollment, employment and earnings and even some of the other kinds - issues we're going to address in the evaluation to the student's types of occupations, etc. [Guidance issued 7/20/2012]

ESI-Q18. What is the impact on a student's Pell Grant award if the student "opts-out" of the experiment?

ESI-A18. A student's decision to "opt-out" of the evaluation does not affect the student's Pell Grant award, regardless of the timing of the opt-out decision by the student. A student who opts-out retains full eligibility to the experimentally assigned Pell Grant. As such, all of the regular rules relating to a student's Pell Grant award apply, including disbursement timing rules (release of any credit balance) and Return of Title IV Aid (R2T4) requirements. [Guidance issued 12/21/2012]

ESI-Q19. Will the Department provide schools with "press release" information for marketing the experiments?

ESI-A19. No, each institution needs to determine how it will publicize or otherwise inform potential students about the experiments. Institutions should tell potential candidates that the federal government, under an experiment, is providing Pell Grant eligibility to a limited number of students, who otherwise would not be eligible for a Pell Grant. [Guidance issued 12/21/2012]

ESI-Q20. Will the Department provide us with guidance on consumer disclosure information?

ESI-A20. Institutions are expected to comply with all current disclosure requirements. However, they do not need to modify materials provided to their general student population to reflect the special circumstances surrounding the experiments. [Guidance issued 12/21/2012]

ESI-Q21. Will the Department provide a consent form that students will need to sign in order to participate in the experiments?

ESI-A21. Schools are not responsible for delivering the consent form to students. The Department's contracted evaluator, Social Policy Research (SPR), is emailing the consent form to all students who go through the random assignment process. If that email cannot be delivered, SPR mails the form to the student. A copy of the consent form was provided to schools in the training materials for the SPR delivered webinar on November 13, 2012. Schools can also print a copy of the consent form from the random allocation system designed by the evaluator.

The consent form does not have to be returned by the student unless the student does not wish to participate in the experiment, in which case the form must be returned to SPR. Schools can also print a copy of the consent form from the random allocation system designed by the evaluator. [Guidance issued 12/21/2012]

ESI-Q22. May an institution add programs to the experiments beyond the programs that it identified when it first provided enrollment estimates to the Department?

ESI-A22. Yes, institutions may expand the number of its programs participating in either of the experiments. However, all of the participating programs must meet the criteria included in the Federal Register notice. For Experiment 1, the program must be a vocational/career program of study of one year or less that provides training needed to meet local or regional workforce needs. Experiment 2 programs must also be vocational/career programs that provide training needed to meet local or regional workforce needs, but also be short-term programs, approved by FSA's School Eligibility teams, that otherwise would not be Pell Grant eligible programs.

Institutions adding programs must send an updated list of their programs with revised enrollment estimates to [Experimental Sites@ed.gov](mailto:ExperimentalSites@ed.gov). [Guidance issued 12/21/2012]

ESI-Q23. Are the short term programs in Experiment 2 treated as non-standard term programs requiring specific awarding, disbursing, and Satisfactory Academic Programs (SAP) policies and procedures?

ESI-A23. Yes, these short-term programs are either non-term or non-standard term programs. The Pell Grant regulations provide the requirements that apply to such programs, including awarding and disbursement rules. Institutions must also have SAP policies for these non-

standard or non-term programs. [Guidance issued 12/21/2012]. When calculating a Pell Grant award, use the Pell Grant Formula 4. [Guidance issued 3/8/2013].

ESI-Q24. If the student who was ineligible for the program based on SAP but appealed and was approved, is that student considered to be an eligible student for the program?

ESI-A24. Yes because those are decisions allowed within our rules. Those are the decisions that the school makes. [Guidance issued 7/20/2012]

ESI-Q25. Are the experiments only for new admits or are currently enrolled students who meet the criteria eligible to participate?

ESI-A25. The experiments are only for students who enroll in the applicable program after the experiment begins. Students who were enrolled in the program before the beginning of the experiment are not eligible to participate. However, a student's prior enrollment in another program at the institution or elsewhere does not affect their eligibility for these experiments, assuming the student meets all of the applicable requirements. [Guidance issued 12/21/2012]

ESI-Q25. What does consent mean, what are students are consenting to?

ESI-A25. Every student will need to complete a yet to be determined consent process to participate in the experiment. All federally sponsored research has to ensure that potential participants understand what is being asked of them and any "risks" associated with participation. Once they know all of this, there has to be a way for them consent – by either opting out of (or into) the study. In the case of the Pell grant experiments and evaluation, potential participants need to know that they're not guaranteed a grant (only random chance will determine if they get one), and the kinds of information that will be collected about them.] [Guidance issued 7/20/2012]

Updated guidance to reflect change to passive consent, shared with schools during November 13, Webinar

ESI-A25: The Department's contractor, SPR is handling all aspects of the consent process. They will send information to every student during the random assignment process and process any student requests to opt out.

ESI-Q26. Once the students get selected to be part of the experimental or the control group, communication will be sent to that student. Will it come from the Department or will it come from the institution? And if it's from the institution, does the Department have a template that the institution can use?

ESI-A26. The initial communication will come from the institution. The Department's contractor will provide sample letters for both the treatment and control groups. But we will leave it up to each institution to decide whether to include the letter in initial post-lottery communications with the students or to incorporate excerpts from the Department's letter into standard school communication documents.

Once you obtain their consent and the random generator is applied, you then notify them if they had been selected in the treatment group or the control group. If selected, you can then package the student, including a Pell grant if they're otherwise eligible. We are also assuming that the control group is going to be eligible for some aid, so you're already going to be sending them a package of materials anyway. It may be that any additional letter that's specifically about their not getting the Pell would be no different from the institution's letter explaining what aid they are eligible for. [Guidance issued 7/20/2012]

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ESI-A26: With the move to a passive consent process ALL necessary informed consent information will be delivered to the student by the Department's contractor, SPR.

Schools may also choose to share the information about the evaluation available at <http://www.pellexperiments.org> with prospective students.

ESI-Q27: Can PJ be used for students participating in the experiments?

ESI-A27: An aid administrator may use PJ on a case-by-case basis only to adjust the student's cost of attendance or the data used to calculate the applicant's EFC. However, no PJ decision can be made to alter the requirements of the experiment.

ESI-Q28: Please clarify the certificate, degree or credential awarded. If we award a certificate of completion is that what you mean? In some cases students can get the certification, such as certification from a State. How does this effect eligibility?

ESI-A28: Your school must award some type of credential to those that complete the program. Any external credential is nice but is not required, nor is it sufficient if the school does not award some type of credential. The credential must be sanctioned by the entity at your school that is responsible for academic governance.

ESI-Q29: Where can we find the Approval of Short Term Program Form?

ESI-A29: The Approval of Short Term Program Form can be located on the ESI Web Site.

<https://experimentalsites.ed.gov/exp/screening.html>

ESI-Q30: Would a non-credit certificate of completion meet the requirement?

ESI-A30: No, the key question is would the program be normally eligible for Pell if it were long enough.

ESI-Q31: Prior to applying for experimental sites, we submitted several short term programs for approval using the E-APP. These programs have been approved by the state but have not been approved for financial aid because they have not been existence for a year. Do we still need to wait the year for these programs in order for them to be eligible for the experiments?

ESI-A31: The process for obtaining FSA's approval of short term programs for Pell Grant Experiment 2 is separate from the automated E-APP because certain requirements are being waived in the experiment. **The school must apply to FSA for approval of these programs using the [Approval of Short Term Programs Form](#) available on the Experimental Sites website.** The requirement to have accreditor/state approvals remains in place and documentation must be submitted with the approval

form. If the school is seeking eligibility for a program for Pell Grant Experiment 2 (Short Term Programs), and the program meets the requirements for the experiment, the program is not necessarily ineligible because it has not been in existence for a year. **However, the intent of the experiment is not to bypass the requirement that a program be in existence for at least one year, but to provide short term training programs that are otherwise too short to qualify for Title IV funds and provide training to meet a local labor force need.** Keep in mind that the qualitative factors in 668.8(e) (including the requirement that the program be in existence for at least one year) are only eligibility requirements for proprietary/vocational schools participating in the Direct Loan Program. The experiment does not affect the Direct Loan Program.

ESI-Q32: Can a school participating in Experiment 2 apply for a program approval that meets **one** of the current regulatory requirements (was at least 15 weeks of instructional time), but not the other (was less than 600 clock hours)?

ESI-A32: Yes.

Under current regulations, in order to be Pell Grant eligible a postsecondary program must provide at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction over 15 weeks. Under Pell Grant Experiment 2, the program eligibility requirements are reduced such that a program is eligible so long as it provides at least 150 clock hours (4 semester credit hours or 6 quarter credit hours) over 8 weeks of instructional time. If the program satisfies **both** the minimum requirements for Pell in terms of minimum credit/clock hours **and** weeks of instruction (is at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of undergraduate instruction **and is** over 15 weeks) this program would **not** be eligible for Experiment 2.

On the other hand, the program could be considered for eligibility if the program meets **only one** of the current regulatory requirements (either weeks of instruction or credit/clock hours). For example, if the program is 320 clock hours (**does not meet current regulations**) over 16 weeks of instructional time (**meets current regulations**), it may be considered for eligibility to participate in Experiment 2. Similarly, if the program is 600 clock hours (**meets current regulations**) over 10 weeks of instructional time (**does not meet current regulations**), it may be considered for eligibility to participate in Experiment 2. Please note that to participate in Experiment 2, the program must still be *at least* 150 clock hours over 8 weeks of instructional time, as stated in the Federal Register.

ESI-Q33: How long will the experiment last? When does the Department plan on using data to recommend changes to statute or regulations?

ESI-A33: The experiments will last at least through 2013-2014. We expect 2014-2015 is a very good likelihood, but is contingent on funding. Since we have to collect data for the experiment, it may likely be 2-3 years after the experiments before any data is available to present any recommendations to Congress for change.