

**Federal Pell Grant Experiment - 2**  
**Eligibility of Students Enrolled in Certain**  
**Short-Term Training Programs**  
**July Training 2013**

# Responsibilities of Institutional Offices

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## Administrative Capability

668.16(b)(1) and (4)

# Agenda

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- Program Approval Process

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- SPR Training Preparation  
(Experiments 1 and 2)

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- Pell Grant – Formula 4 Calculation

# Experiment 1

Federal Pell Grant Program—Extends eligibility to students with **bachelor's degrees** who enroll in vocational or career programs

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- Student otherwise Pell Grant eligible
- Student unemployed or under-employed
- Vocational or career program leads to credential awarded by your institution
- Program's length is one-year or less
- Student able to complete the program in on more than two years
- Exemptions: **HEA Section 401(c)(1), 34CFR 668.32(c)(2)(i)(A), and 34 CFR 690.6(a)**

# Experiment 2

Federal Pell Grant Program—Extends eligibility to students enrolled in certain *short-term training programs*

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- Student otherwise Pell Grant eligible
- Program requirements:
  - At least 8 weeks of instructional time
  - At least 150 clock hours, 4 semester credit hours or 6 quarter credit hours
  - Approved by the U.S. Department of Education to participate in Title IV
  - Leads to a certificate, degree or credential awarded by your institution
  - **Exemptions:** [HEA Section 481\(b\)\(1\)\(A\)](#) and [34 CFR 668.8\(d\)\(1\)\(i\)-\(ii\)](#)

# Experiment 2 Exemptions

Academic Program Measures Progress In	Statutory Minimum Weeks of Instruction	Exemption Allowed	Statutory Minimum Progress	Exemption Allowed
Semesters or Trimesters	15 weeks	8 weeks	16 credits	4 credits
Quarters	15 weeks	8 weeks	24 credits	6 credits
Clock Hours	15 weeks	8 weeks	600 hours	150 hours

# Experiment 2

## Federal Pell Grant Program—Extends eligibility to students enrolled in certain short-term training programs

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- Additional program requirements:
  - Addresses local or regional workforce needs
  - Training sufficient to meet employers' hiring requirements/standards and any applicable licensure requirements
- Doesn't exceed by more than 50% the minimum number of clock hours required for training if the State has established such a requirement

# What is the PPA process?

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## **FSA sends the school the PPA amendment**

- School signs and mails form via UPS or Federal Express



## **FSA sends the school a countersigned amendment to the PPA**

- School keeps copy

# Approval Process: What is required



State Approval



Accreditor Approval



Program leads to  
certificate, degree or  
credential at the school

# Experiment 2: Approval Process

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Short-term programs approved by state and accreditor, but not eligible for Title IV

- Submit state and accreditor approval documentation along with form
- Complete required Approval of Short Term Programs Form

# Experiment 2: Approval Process

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Short-term programs approved by state and accreditor, currently eligible for Direct Loans

- Submit state and accreditor approval documentation along with form
- Complete required Approval of Short Term Programs Form

# Experiment 2: Approval Process

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## New short-term programs

- Obtain state and accreditor approval
- Complete required Approval of Short Term Programs Form
- Submit state and accreditor approval documentation along with form

# Approval of Short Term Programs

OPE ID#:

Institution:

- Check here for an undergraduate program that:
- leads to a certificate or other recognized education credential awarded by the institution,
  - prepares students for gainful employment,
  - is at least 8 weeks  
AND
  - provides at least 4 semester or trimester credit hours, 6 quarter credit hours or 150 clock hours of instruction

Name of Program/Course:

Classification of Institutional Programs (CIP) Code:

Date First Provided:  Number of Weeks:

Clock hours (number of hours) of instruction:

If you offer the program in credit hours, number of credit hours:

Type of Hours (Check One):

Semester  Trimester  Quarter

Is each course within the program acceptable for full credit toward your associate degree or higher degree?

Yes  No

Please remember to attach state and accreditor approvals to the email after clicking the button below. Also, if this program has already been approved for Direct Loans include a copy of the ECAR as well. This will help expedite the program approval process. If you have questions about this form please send an email to: [experimentalites@ed.gov](mailto:experimentalites@ed.gov).



# Experiment 2: Program Approval Documentation

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## State agency or entity and accrediting agency approval documents

- Program name must match name on the approval documents
- Number of weeks, number of clock hours, and number and type of credit hours must match information on the state entity and accrediting agency approval documents

# Selecting and Awarding of Students

## Random Assignment System (RAS)

- Participate in RAS Training
- Designate one RAS Administrator to manage user accounts
- System randomly assigns to **Offer Pell Grant** or **Do Not Offer Pell Grant** group
- Question about the RAS should be directed to the contractor at [contact@pellexperiments.org](mailto:contact@pellexperiments.org) or 1-866-235-7263

## Maintain Applicant Level Data

- Personal, institutional, and financial aid information for ***all*** applicants

# Experiment 1: When will you be ready for RAS Training?

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Have you been approved to participate in Experiment 1?	Action
YES	Must have a signed amended PPA

# When will you be ready for RAS Training?

## Participating in Experiment 2 ONLY

Status	Action for all three
<ul style="list-style-type: none"><li>• <b>Short-term programs approved by state and accreditor, currently eligible for Direct Loan</b></li><li>• <b>Short-term programs approved by state and accreditor, but not eligible for Title IV</b></li><li>• <b>New Short-Term Programs</b></li></ul>	<ul style="list-style-type: none"><li>• Must have a signed amended PPA</li><li>• Submit all required documents along with the Approval of Short Term Programs Form</li></ul>

# Action Plan: Selecting and Awarding for Experiment 2

Action	Status
<b>Random Assignment System (RAS)</b>	
<input type="checkbox"/> Participate in the RAS training webinar held by ED's contractor (SPR) <input type="checkbox"/> Designate <u>one</u> site administrator to manage your institution's user accounts <input type="checkbox"/> Use the RAS to determine Pell Grant award status— <b>offer</b> or <b>do not offer</b> —for eligible students enrolling in ED approved programs <input type="checkbox"/> Questions about the Random Assignment process should be directed to the contractor at <a href="mailto:contact@pellexperiments.org">contact@pellexperiments.org</a> or toll free 1-866-235-7263	
<b>Group A: Treatment Group (Offer Pell Grant)</b>	
<input type="checkbox"/> Make sure student meets all Pell eligibility and Title IV requirements <input type="checkbox"/> Prepare Award Package to reflect correct Pell Award	
<b>Group B: Control Group (Do Not Offer Pell Grant)</b>	
<input type="checkbox"/> Do not offer Pell Grant Award to students in this group <input type="checkbox"/> No Pell Grant to be included in award package for any students in this group	
<b>Maintain Data</b>	
<input type="checkbox"/> Maintain data for both groups. Be sure to include applicants that do not enroll <input type="checkbox"/> Provide student-level records data (institutional and financial aid) for all applicants. Applicants include students who applied and attended; students who applied but did not attend your institution	

# Pell Grant: Determining Payment Period

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*For a student enrolled in a short-term program (one academic year or less in length)*

- *First payment period is period of time in which the student completes half of the number of credit hours or clock hours, as applicable, in the program and half of the number of weeks of instructional time in the program*
- *Second payment period is the period of time in which the student successfully completes the program or the remainder of the program*

**Reference: 34 CFR 668.4(c)(1)**

# Pell Grant: Calculation for Short-Term Program

- Must use Formula 4 to calculate Pell Payment amount
  - To determine the payment for a payment period, multiply the student's Scheduled Award by the *lesser of*:

Number of credit/clock hours in the payment period

Number of credit/clock hours in the programs academic year

*Or*

Weeks\* in the payment period

Weeks\* in the program's academic year (at least  
30 for credit-hour, at least 26 for clock-hour)

*\*These fractions use weeks of instruction time as defined in Volume 3, Chapter 1 of the Federal Student Aid Handbook, which are not necessarily the same number as the calendar weeks in an academic year*

# Formula 4: Clock Hour Example

## Scenario (2013-2014 award year)

- 300 clock hour program
- 12 weeks
- EFC = 0
- Scheduled Pell \$5,645
- Two payment periods

The school's academic year for the program is based on the regulatory minimums:

- 900 clock hours
- 26 weeks of instructional time.

$$1) \quad 5,645 \times \frac{150 \text{ clock-hours in payment period}}{900 \text{ clock-hours in academic year}} \\ = \mathbf{\$940.83}$$

$$2) \quad 5,645 \times \frac{6 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} \\ = \mathbf{\$1302.69}$$

***Must use the lesser of the result of the two fractions: Student would be eligible for **\$940.83** for each payment period***

# Formula 4: Credit Hour Example

## Scenario (2013-2014 award year)

- 12 credit hour program
- 16 weeks
- EFC = 452
- Scheduled Pell \$5,195
- Two payment periods

The school's academic year for the program is:

- 36 quarter hours
- 30 weeks of instructional time.

$$1) \quad 5,195 \times \frac{6 \text{ quarter-hours in payment period}}{36 \text{ quarter hours in academic year}} \\ = \mathbf{\$865.83}$$

$$2) \quad 5,195 \times \frac{8 \text{ weeks in payment period}}{30 \text{ weeks in academic year}} \\ = \mathbf{\$1385.33}$$

***Must use the lesser of the result of the two fractions: Student would be eligible for **\$865.83** for each payment period***

# Common Origination and Disbursement (COD)

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## COD System implemented Experimental Sites functionality

- Only schools that have been approved for Experiment 1 will have this capability
- Ability to process Pell Grants with the CPS Applicant Pell Eligible flag = No (N) when the award is submitted by a school that has an appropriate PEPS experimental site flag set
- Processing can be performed via batch or Web for the 2012-2013 award year and forward

# ESI Website

<https://experimentalsites.ed.gov>

## How to Apply

Federal Register Notice  
Apply to Participate  
Screening & Approval Process

## Implement an Experiment

Action Plans  
Training  
Q&As  
Dear Colleague Letters & Electronic  
Announcements

## Experiments

Experiments  
List of Participants

## ESI Reporting

Data Collection Instrument  
Analysis Reports  
Archives

# Contact Information

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SPR

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School Participation Teams

[Click here for a listing of all School Participation Teams by Region](#)



# Questions and Answers