Revised Second Chance Pell experiment Questions & Answers

Q1: My institution currently participates in the Second Chance Pell experiment and has not yet started a program under the experiment. We plan to begin offering a program sometime during the 2023-24 award year. Can my institution apply to participate in the revised experiment?

A1: If an institution has not yet started a program under the experiment, it should begin the process of obtaining approval of the program under the new PEP provisions. However, it may be eligible to participate in the revised experiment if the program has a scheduled start date during the 2023-24 award year, the institution plans to apply for program approval under the new PEP provisions, and potential students in the program at least one of the following conditions:

- Potential students have been notified of the program’s anticipated start (must begin during the 2023-24 award year) and have completed a FAFSA to be considered for Pell eligibility; or
- Potential students have registered or enrolled in the program with an anticipated start date (must begin during the 2023-24 award year)

The institution should be prepared to provide to the Department, if requested, documentation that shows the program was scheduled to begin during the 2023-24 award year.

Q2: Is my institution able to partner with a new correctional facility to offer a new or existing program under the revised experiment?

A2: Institutions may not expand partnerships to include a new correctional facility under the revised experiment to add new or existing programs. Rather, institutions should partner with the new correctional facility under the new PEP provisions. However, if an agreement was in place with the new correctional facility prior to June 30, 2023 to offer a new or existing program, the institution may partner with that facility under the revised experiment if the program has a scheduled start date during the 2023-24 award year, the institution plans to partner with the facility to apply for program approval of the new or existing program under the new PEP provisions, and potential students in the program at the new facility satisfy at least one of the following conditions:

- Potential students have been notified of the program’s anticipated start (must begin during the 2023-24 award year) and have completed a FAFSA to be considered for Pell eligibility; or
- Potential students have registered or enrolled in the program with an anticipated start date (must begin during the 2023-24 award year)

The institution should be prepared to provide to the Department, if requested, documentation that shows the agreement was in place with the new correctional facility prior to June 30, 2023 and the program was scheduled to begin during the 2023-24 award year.

Q3: My institution has an active program under the current experiment, but does not plan to apply for the revised experiment. What options are available to allow continuing students to finish their program?
A3: The Department will provide instructions to institutions with students enrolled in programs under the current experiment that do not plan to apply for participation in the revised experiment. If the institution does not participate in the revised experiment, there will be a winddown period that will allow *continuing students* to work toward completion of their current experimental program for up to one academic year. No Pell Grant funds may be disbursed to confined or incarcerated individuals beyond the 2023-24 award year wind down period unless the program is converted to an eligible PEP under the new provisions.

Q4: My institution currently participates in the Second Chance Pell experiment and has not partnered with any federal or state correctional facilities. Instead, we have partnered with a local jail to offer a program to students confined or incarcerated in that facility. Can my institution apply for participation in the revised experiment?

A4: No. The waivers of the current Second Chance Pell experiment allow institutions to disburse Pell to students enrolled in an eligible program who are confined or incarcerated in a *federal or state* correctional facility. Participation in the Second Chance Pell experiment was not necessary to disburse Pell to individuals confined or incarcerated in a *local jail* as long as such students were otherwise eligible and enrolled in an eligible Title IV program.

The new regulations (34 CFR 668.242) have specific requirements for transition to a PEP for programs in local jails. Institutions currently participating in the Second Chance Pell experiment that offer programs in local jails will be subject to those requirements. For institutions operating eligible prison education programs in a correctional facility that is not a Federal or State penal institution, a confined or incarcerated individual who otherwise meets the eligibility requirements to receive a Federal Pell Grant and is enrolled in an eligible program that does not meet the requirements under the new regulations may continue to receive a Federal Pell Grant until the earlier of:

1. July 1, 2029;
2. The student reaches the maximum timeframe for program completion under 34 CFR 668.34; or
3. The student has exhausted Pell Grant eligibility under 34 CFR 690.6(e).

An institution is not permitted to enroll a confined or incarcerated individual on or after July 1, 2023, who was not enrolled in an eligible program prior to July 1, 2023, unless the institution first converts the eligible program into an eligible prison education program as defined in 34 CFR 668.236. If a program in a local jail is the only program offered by an institution that currently participates in the Second Chance Pell experiment, that institution would not be able to apply for the revised Second Chance Pell experiment and would need to comply with the new PEP provisions. There may be limited circumstances where a college under the experiment is serving students under the authority of a State Correctional Facility who are being housed in a local jail because of space issues. Although the students under the authority of the state that are housed in the local jail could be eligible under the experiment, the school must work to have the program converted to a PEP under the new provisions as required under 34 CFR 668.242. If this situation applies to your institution, it should reach out to the ESI Team at ExperimentalSites@ed.gov for assistance.
Q5: Will institutions be required to adhere to an expenditure cap during the transition period from the experiment to the new PEP provisions?

A5: Yes, once an institution is selected for participation in the revised experiment, the ESI team will reach out to the institution to request estimated information so we can provide an expenditure cap for the 2023-24 award year. For the remaining award years of the experiment, the ESI Team will annually ask institutions to provide estimated expenditures and an allocation will be provided to participating institutions before the beginning of each award year.

Q6: My institution is currently an approved Second Chance Pell participant and we have an approved program at a correctional facility with students enrolled. Our students are currently receiving state funding and we have not disbursed Pell. Will we be eligible to apply for the revised experiment?

A6: Yes. If the institution has an active program under the experiment, it will be eligible to apply for the revised experiment and otherwise eligible confined or incarcerated students enrolled in the program can access Pell funding.