SECOND CHANCE PELL EXPERIMENT

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U.S. Department of Education

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Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

WELCOME TO THE SECOND CHANCE PELL EXPERIMENT

AGENDA

01 Overview of Experiment

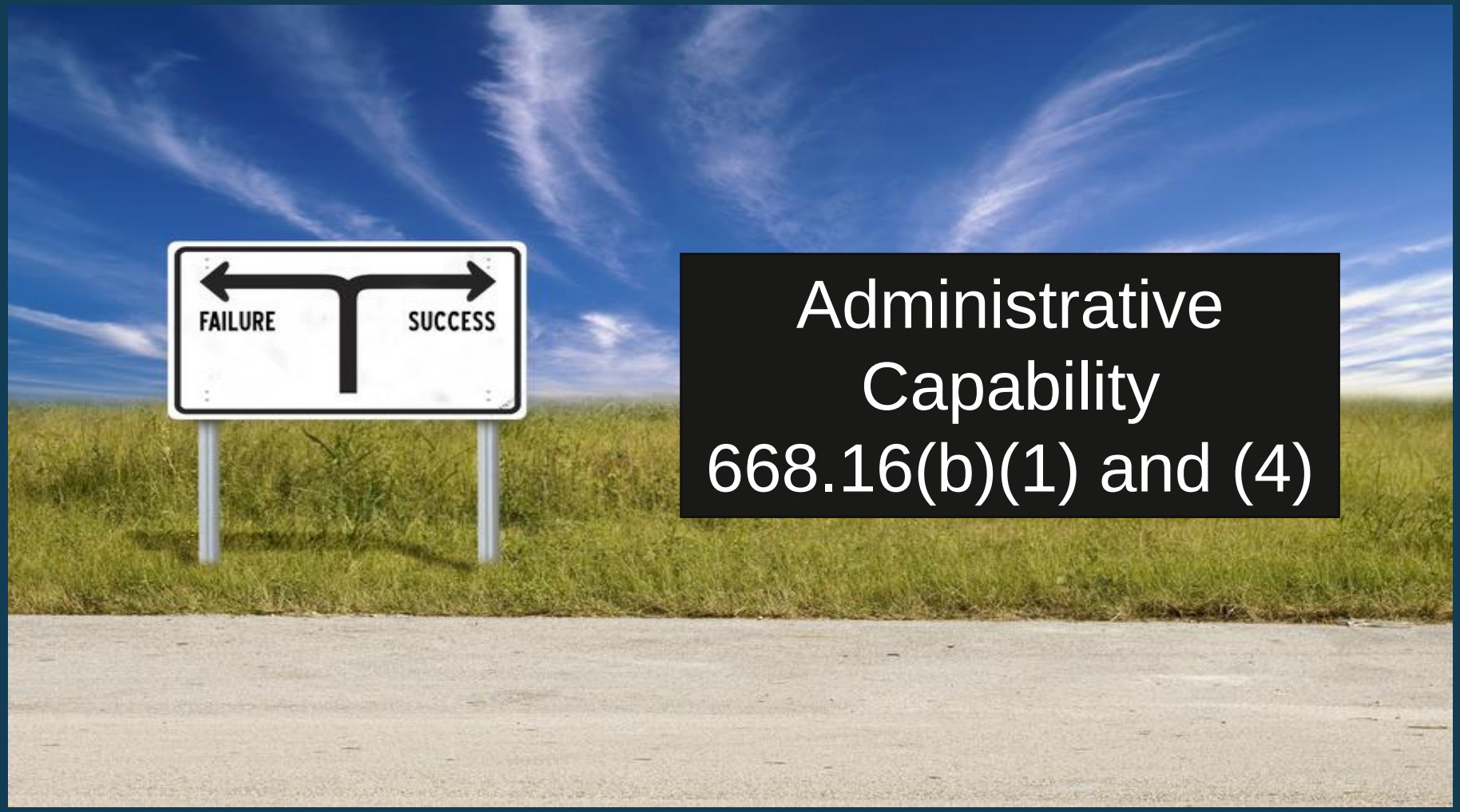
02 Requirements

03 Reporting & Evaluation

04 Implementation & Resources

OVERVIEW

RESPONSIBILITIES OF INSTITUTIONAL OFFICES



OBJECTIVES OF THE EXPERIMENT

- Examine how providing Pell Grants to incarcerated students influences their participation in educational opportunities and academic outcomes

- Examine any challenges or obstacles to an institution's administration of Title IV HEA programs to incarcerated students

SECOND CHANCE PELL

The experiment will allow participating schools to provide Federal Pell Grants to otherwise eligible students who are incarcerated in Federal or State penal institutions, and will be eligible for release into the community; particularly those who are likely to be released within five years of enrollment in the program.

SECOND CHANCE PELL

Waivers	
Law/Regulation	**Description**
Section 401(b)(6) of the HEA	Provides that students who are incarcerated in a Federal or State penal institution are not eligible to receive Federal Pell Grant funds.
34 CFR 668.32(c)(2)(ii)	For purposes of the Federal Pell Grant Program— …Is not incarcerated in a Federal or State penal institution.

EXCEPTIONS

The following provisions are not waived:

-~~Convictions for drug possession or sale while receiving title IV aid (section 484(r) of the HEA~~

-Involuntary civil commitment after incarceration for sexual offenses (Section 401(b)(6))

-Cost of attendance provision for incarcerated students (Section 472(6))

EXCEPTIONS

All other student eligibility provisions apply and are not waived:

-High school completion

-Citizenship

-Satisfactory academic progress

-Regular student

-Defaults and repayments

Note: Registration with Selective Service as a condition of receiving Title IV aid was eliminated on 7/1/21

REQUIREMENTS

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Student Consideration: Likely To Be Released within Five years

Likely to be released?

Is 5 years a “hard release”?

REQUIREMENTS

Completion of Program

Must be able to complete program post release

REQUIREMENTS

Employment

Must ensure students are not enrolled in a program that prepares them for careers in fields where they face legal barriers to employment

REQUIREMENTS

Academic and Career Guidance

Must provide academic and career guidance

REQUIREMENTS

Supplement NOT Supplant

This experiment is intended to supplement not supplant existing investments in postsecondary prison-based education programs

REQUIREMENTS

ATB/Career Pathway Provisions

Students without a high school credential and the Career Pathway provisions

See Dear Colleague Letter GEN-16-09

PROGRAM PARTICIPATION AGREEMENT

FSA sends the school the Amendment to the PPA

School signs and returns to FSA

FSA sends the school a countersigned amendment to the PPA and a welcome letter

- School retains copies of both of those documents for their records

TITLE IV CREDIT BALANCES

- Occur when the total Title IV financial aid disbursed to a student exceeds the student's total institutional charges
- Title IV credit balances are paid directly to the student
- For this experiment, need to avoid credit balances to students

TITLE IV CREDIT BALANCES

- To avoid credit balances to students –
  - Books and Supplies can become part of institutional charges.
    - Schools provide books and supplies directly to students.
    - Costs of books and supplies are included in the amount of tuition and fees
      - Costs of books and supplies must be reasonably competitive to best market price

TITLE IV CREDIT BALANCES

- To avoid credit balances to students –
  - Pell Grant Calculation
    - Adjust award amount from Pell Grant Payment Schedules to eliminate credit balances

TITLE IV CREDIT BALANCES

Elimination of Credit Balances

- The amount of a student's Pell Grant is determined using the students Expected Family Contribution (EFC), the student's Cost of Attendance (COA), and the Pell Grant Payment Schedule
- Example: Total of tuition and fees and books and supplies is $1,814

Cost of Attendance			EFC
			0
			To
			0
1800	-	1899	**1850**

- For this experiment, the Pell Grant award must be reduced to $1,814 to meet only the student's educational costs

TITLE IV CREDIT BALANCES

Elimination of Credit Balances

- The amount of a student's Pell Grant is determined using the students Expected Family Contribution (EFC), the student's Cost of Attendance (COA), and the Pell Grant Payment Schedule
- Example: Total of tuition and fees and books and supplies is $1,875

Cost of Attendance			EFC
			0
			To
			0
1800	-	1899	**1850**

- Pell Grant award is $1,850 and not $1,875

APPLYING FOR AID

- Process for Completing the FAFSA
    - Online if available – FAFSA.ed.gov
    - Print PDF version of FAFSA for students to complete – FAFSA.ed.gov
    - Enter student information using FAA Access to CPS Online – postsecondary institution
- Student Notification of Aid Eligibility
    - Student Aid Report
    - Award letters/notification
    - Verification

STUDENT WITHDRAWAL – R2T4

- Student does not complete the payment period
- Possible Reasons –
  - Student withdraws
  - Student is released from the facility
  - Correctional facility withdraws the student
  - Correctional facility suspends program
  - Correctional facility ends program
- Regular R2T4 rules apply
  - School may need to return a portion of the Pell Grant funds

AGREEMENT REQUIRED

- An agreement between the postsecondary institution and the correctional facility is required under the experiment
- Consider including in the agreement what is needed for the programs and what will be expected of each of the participants
  - School
  - Correctional Facility
  - Students

AGREEMENT REQUIRED

- Consider including a policies and procedures manual or a resource guidance of how the academic program would be implemented in the correctional facility including-
  - How behavior effects program participation
  - Incarcerated student limitations
  - Correctional facility procedures and responsibilities
  - Incarcerated student responsibilities

ADDITIONAL LOCATION(S)

Schools **must** report the correctional facility as an additional location if-

- 50 percent or more of an eligible program is offered at the correctional facility

Refer to: 34 CFR 600.21(a)(3), 600.21(d) and 600.20 (c)(1) as well as the FSA Handbook, Volume 2, Chapter 5

DISTANCE EDUCATION AND ADDITIONAL LOCATION REPORTING

Schools **must** report the correctional facility as an additional location regardless of how the program is delivered at the site (e.g., if instruction is provided at the location via distance education)

PARTNERING WITH OTHER PARTICIPATING SCHOOLS

- Each school in a written arrangement must be a current participant in the Second Chance Pell experiment
- The maximum allocation will be limited to the total amount allocated to the school who will be disbursing the Pell and maintaining information on the student's eligibility

COMMON QUESTIONS & ANSWERS

COVID-19 CHALLENGES

- Correspondence education not allowed under Second Chance Pell Experiment

- Distance education is permitted

COVID-19 CHALLENGES

- Waiver of Restrictions on Term Length and Term Overlap
- Leaves of Absence
- Waivers of R2T4/SAP Requirements under the CARES Act

UPDATED Guidance for interruptions of study related to Coronavirus (COVID-19) (Updated June 16, 2020) | Knowledge Center

FAFSA SIMPLIFICATION ACT

- New provisions for incarcerated students effective July 1, 2023
- Permits students who are incarcerated in federal or state penal institutions (and students who are subject to involuntary civil commitments) to receive Pell Grants
- Ties Pell Grant eligibility for confined or incarcerated students to enrollment in an "eligible prison education program"
- Defines an “eligible prison education program,” and adds requirements for approval, reporting, oversight, and evaluation of such programs
- Requires the Department to publish an annual report on incarcerated students and their programs

NEGOTIATED RULEMAKING

- Subcommittee developed draft regulations in Oct. and Nov. 2021
- Main Committee reached consensus on prison education programs on December 10, 2021
- The Department will publish consensus language as an NPRM
  - The public will comment and ask for clarification on any aspect of the proposed rules
  - Prior to publication of the NPRM the Department cannot respond to inquiries or comments on the consensus language
  - Publication in mid-spring 2022

NEGOTIATED RULEMAKING (CONTINUED)

- The Department plans to publish final regulations by November 1, 2022
  - Department will respond to comments received from the public and may make changes based on those comments (despite consensus)
  - The law requires implementation by July 1, 2023
  - The Second Chance Pell experiment will continue in 2022-2023
    - Guidance will be provided to schools as they transition from the experiment to the new Pell for incarcerated student provisions
- View consensus language and all the latest updates here:
  - https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/index.html?src=rn

"FRESH START" FOR DEFAULTED BORROWERS

- In the near future, the Department will eliminate the impact of delinquency and default on all borrowers, including incarcerated students, and allow them to reenter repayment in good standing
- After this “fresh start” is implemented, the Department will also allow incarcerated individuals to consolidate loans to get out of default
- More information will be provided to participating schools as it becomes available

REPORTING & EVALUATION

REPORTING & EVALUATION

Participating institutions will be required to:

- Complete annual surveys collecting information about:
  - Postsecondary instruction (if any) provided to incarcerated population(s) prior to participating in the experiment
  - The postsecondary institution’s arrangement(s) with correctional facilities and any unforeseen challenges
  - Aspects of the postsecondary institution's arrangements (e.g., tuition and fees, caps on credits earned, support services provided, instructional delivery methods, and faculty characteristics)

REPORTING & EVALUATION

Information to be collected for evaluation

- Number and characteristics of incarcerated students who completed a FAFSA in anticipation of participating in the experiment
- The number who enrolled
- The number of postsecondary credits students attempted and the number earned
- The amount of Federal Pell Grant funds awarded and disbursed to each student
- Indicators of academic progress, including program completion

ESI REPORTING TOOL

Timeline

- Monthly Expenditure Reporting
- Annual Reporting Fall 2023 (for 2022-2023 award year)

ESI Reporting Tool

Schools upload:

1. Student identifying information
2. Experiment specific Information

FSA

- Conducts experiment-wide analysis
- Provides participating schools analysis of their data

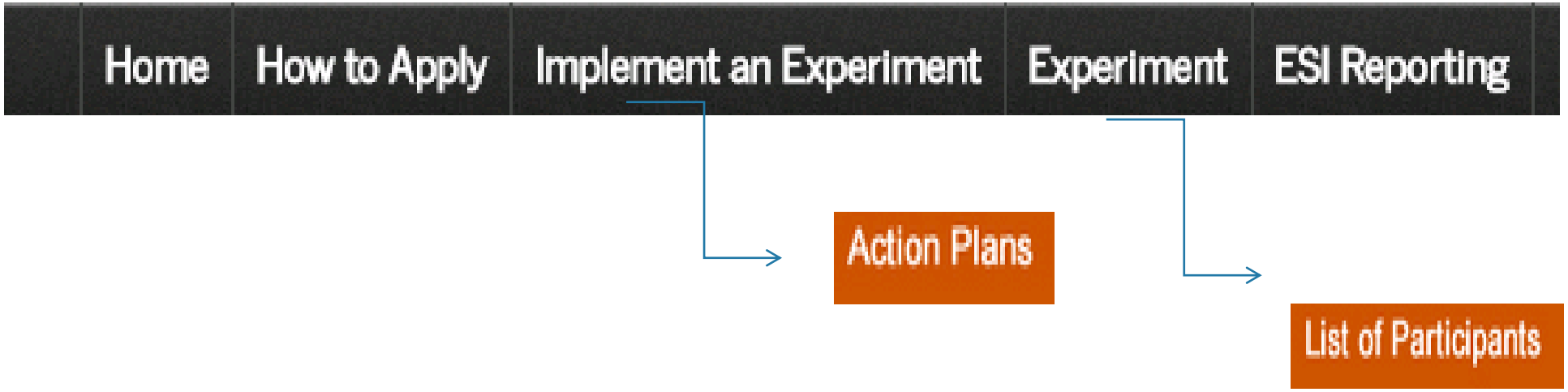
PELL GRANT EXPENDITURE CAPS

- Institutional cap for award year number of students and expenditures
  - School monitoring
    - Monitor to identify if enrolled student and Pell Grant disbursements will exceed estimates
    - Alert the Department of Education if enrollment and Pell Grant disbursements appears as if it would exceed estimates
  - U.S. Department of Education Monitoring
    - Timely reports of Pell Grant disbursements by schools

IMPLEMENTATION & RESOURCES

EXPERIMENTAL SITES INITIATIVE WEBSITE

https://experimentalsites.ed.gov



SECOND CHANCE PELL ACTION PLAN

Project Lead:

Action	Status
Eligibility	
❑ Signed Amended Program Participation Agreement (PPA) on file ❑ Attend available training webinars ❑ Train applicable staff at institution	
Consumer Information	
❑ Identify all Consumer Information documents and web pages that require updates ❑ Schedule Changes ❑ Make changes	
Establish record keeping system to support evaluation	
❑ Create and maintain a database containing the information requested for the evaluation of the experiment	
Policies and Procedures	
Develop policies and procedures to ensure that the institution: : ❑ Partners with one or more Federal or State correctional facilities to offer one or more Title IV HEA eligible academic programs to incarcerated students ❑ Works with the partnering correctional facilities to encourage interested students to submit a FAFSA ❑ Only disburses Pell Grant funding to otherwise eligible students who will eventually be eligible for release from the correctional facility, while giving priority to those who are likely to be released within five years of enrollment in the educational program ❑ Only enrolls students in postsecondary education and training programs that prepare them for high-demand occupations from which they are not legally barred from entering due to restrictions on formerly incarcerated individuals from obtaining necessary licenses or certifications required for those occupations ❑ Discloses to interested students and to the Department information about any portions of a program of study that, by design, cannot be completed while students are incarcerated, as well as the options available for incarcerated students to complete any remaining program requirements post-release	

SECOND CHANCE PELL ACTION PLAN

Experimental Sites Action Plan

Action	Status
Policies and Procedures (continued)	
❑ As appropriate, offers students the opportunity to continue their enrollment in the academic program if the student is released from prison prior to program completion ❑ Informs students of the academic and financial options available if they are not able to complete the academic program while incarcerated. This includes whether the students can continue in the program after release, transfer credits earned in the program to another program offered by the institution, or transfer credits earned in the program to another postsecondary institutions ❑ In partnership with Federal or State correction facilities, the institution also submits their plans for providing academic and career guidance, as well as transition services to their incarcerated students to support successful reentry ❑ Ensures that Pell Grant funds made available to eligible students through this experiment supplement, and do not supplant existing investments in postsecondary prison-based education programs by either the institution, the correctional facility, or outside sources.	
Systems	
❑ Identify affected institutional systems such as processing and disbursement ❑ Plan for and make needed adjustments	
Impact on other Offices	
❑ Coordinate with other offices such as Financial Aid Office, Admissions, Bursar, Registrar, Academics and Accrediting Agency	
Reporting	
❑ Complete and submit a reporting template that will include a narrative description and evaluation of the implementation of the experiment.	

Helpful resources when revising policies and procedures:

Link to ESI Q & A

IMPLEMENTATION CHECKLIST

- Countersigned PPA
- Reporting Correctional Facility as an additional location
- Eligible Programs
- Agreement between correctional facility and postsecondary institution
- Processing and Disbursement of Title IV aid (credit balances)
- Updating Policies and Procedures
- Reporting

VERA INSTITUTE OF JUSTICE

- National nonprofit that works directly with government partners to drive effective policies and practices using research and emerging best practices
- As the designated technical assistance provider for Second Chance Pell, Vera's team offers:
  - Dedicated subject matter experts who provide direct, hands-on, and tailored technical support to navigate challenges, improve quality, and expand programming;
  - Industry-leading reports and toolkits;
  - Learning opportunities with national experts; and
  - Networking opportunities with Second Chance Pell peers.

CONTACT INFORMATION

ExperimentalSites@ed.gov

QUESTIONS?