



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION

P-11-02

April 27, 2011

Subject: Impact of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 on the Federal Pell Grant Program

Summary: This letter provides information on the impact of the recently enacted Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) on the Federal Pell Grant Program. It provides institutions with information about the 2011-2012 Federal Pell Grant Program Payment and Disbursement Schedules. This letter also includes information on changes made to the eligibility of students for second Scheduled Awards and on changes to the requirements for awarding a Federal Pell Grant for a 2011 crossover payment period. In addition, this letter reminds institutions that 2010-2011 is the last award year for the Academic Competitiveness Grant (ACG) and National SMART Grant (SMART Grant) programs.

Dear Colleague:

On April 15, 2011, the President signed the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10) that included several provisions impacting the Federal Pell Grant Program. The following provides guidance to institutions on those provisions.

2011-2012 Federal Pell Grant Program Payment and Disbursement Schedules

The Department of Defense and Full-Year Continuing Appropriations Act, 2011 did not include any provisions that change the 2011-2012 Pell Grant maximum award or maximum eligible expected family contribution (EFC) used to develop the 2011-2012 Payment and Disbursement Schedules that were posted to the Information for Financial Aid Professionals (IFAP) Web site on February 1, 2011 (see Dear Colleague Letter P-11-01). Thus, institutions are advised that those February schedules remain in effect for the 2011-2012 award year.

Two Pell Grants in One Award Year

The Department of Defense and Full-Year Continuing Appropriations Act, 2011 repealed, effective with the 2011-2012 award year, the Pell Grant provision that provided that an otherwise eligible student could receive more than one Pell Grant in an award year. That provision – section 401(b)(5) of the Higher Education Act of 1965, as amended (HEA) – was added to the HEA in August of 2008 by the Higher Education Opportunity Act and became effective with the 2009-2010 award year. Final regulations implementing the two Pell Grants in one award year provision were published in the *Federal Register* on October 29, 2009 [74 FR 55902], and were

effective beginning with the 2010-2011 award year. The following provides guidance to institutions on the implementation of the repeal of the provisions allowing for a second Pell Grant in one award year, including its impact on certain regulatory provisions.

Award Years

2010-2011 Award Year – Because the repeal of the provision allowing for a second Pell Grant in one award year is effective with the 2011-2012 award year, otherwise-eligible students are still able to receive Pell Grant funds that exceed one Scheduled Award from the 2010-2011 award year, including for a 2011 crossover payment period (a payment period that includes both June 30, 2011, and July 1, 2011). See the “Regulations” section below for more information on the awarding of a Pell Grant for a 2011 crossover payment period.

2011-2012 and Subsequent Award Years – Because the repeal of the provision allowing for a second Pell Grant in one award year is effective with the 2011-2012 award year, no student will be eligible to receive more than one Pell Grant Scheduled Award beginning with the 2011-2012 award year. Students whose 2011 crossover payment period is assigned to the 2011-2012 award year, as well as subsequent payment periods that are in the 2011-2012 award year, will receive payments from their 2011-2012 Scheduled Award. In general, the earliest a student could be impacted by the elimination of the authorization of a second Pell Grant in one award year will be in the spring of 2012.

Example A – Summer 2011 Assigned to the 2010-2011 Award Year

A student, enrolled in a 2011 summer term that is a crossover payment period, receives, as determined by the institution, a Pell Grant disbursement from the 2010-2011 award year. The award was from either any of the student’s remaining 2010-2011 first Scheduled Award or, if the student was eligible for it, the student’s second Scheduled Award, or both. The student may receive a 2011-2012 Scheduled Award for 2011-2012 payment periods following the 2011 crossover payment period. It is important to remember that, if full-time in the fall 2011 and spring 2012 semesters, the student will not be eligible for additional Pell Grant funding from the 2011-2012 award year for a 2012 crossover payment period. Students who would have remaining 2011-2012 award year eligibility for a 2012 crossover payment period would typically be students who were less-than-full-time for one or more payment periods in 2011-2012. These students may be eligible to receive 2011-2012 Scheduled Award funds during a 2012 crossover period.

Example B – Summer 2011 Assigned to the 2011-2012 Award Year

A student, enrolled in a 2011 summer term that is in a crossover payment period, receives, as determined by the institution, a Pell Grant disbursement from the 2011-2012 award year of one-half of the student’s Scheduled Award as a full-time student. The student, also as a full-time student, receives the other half of the 2011-2012 Scheduled Award for the fall 2011 semester.

Since all of the student's Scheduled Award for the 2011-2012 award year has been received, there is no remaining eligibility for the rest of the 2011-2012 award year, starting with the spring 2012 semester. Since the spring semester is not a crossover payment period, there will be no opportunity for the student to receive Pell Grant funds from the 2012-2013 award year during that payment period.

Regulations

Under current regulations, an institution must assign a crossover payment period to the award year in which the student receives the greater payment for the payment period (34 CFR 690.64(b)). Because there will be no opportunity for a student to receive a second Scheduled Award during the 2011-2012 award year, the Department of Defense and Full-Year Continuing Appropriations Act, 2011 included a provision that waives this regulatory requirement for any 2011 crossover payment period. Thus, for a 2011 crossover payment period, an institution may choose the award year to which they assign a student's crossover payment period for purposes of the Federal Pell Grant Program.

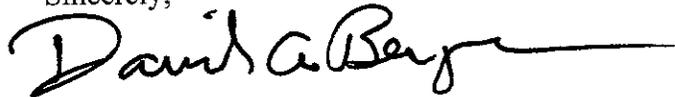
This flexibility for an institution to award from either award year for a 2011 crossover payment period does not negate the existing eligibility requirements for 2010-2011 first Scheduled Awards, 2010-2011 second Scheduled Awards, or 2011-2012 Scheduled Awards.

Final Note

We remind institutions that 2010-2011 is the last award year for the Academic Competitiveness Grant (ACG) and National SMART Grant (SMART Grant) programs. Therefore, any ACG or SMART Grant awards for a 2011 crossover payment period must be assigned to the 2010-2011 award year.

If you have any questions on the information included in this letter, you may contact our Research and Customer Care Center staff. Staff is available Monday through Friday between the hours of 9:00 AM and 5:00 PM (Eastern Time) at 1-800-433-7327. After hours calls will be accepted by an automated voice response system. Alternatively, you may e-mail the Care Center at fsa.customer.support@ed.gov.

Sincerely,



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Policy, Planning and Innovation