



May 5, 2017

The Honorable Betsy DeVos
U.S. Secretary of Education
400 Maryland Ave, SW
Washington, DC 20202

Mr. James Manning
Senior Advisor to the Under Secretary and Acting Under Secretary
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Ms. Lynn Mahaffie
Delegated Duties of Assistant Secretary for Postsecondary Education
U.S. Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Dear Secretary DeVos, Mr. Manning, and Ms. Mahaffie:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I write to express support and excitement for the reinstatement of year-round Pell, and to offer assistance with the interpretation and implementation of the program. NASFAA represents financial aid administrators at 3,000 public and private colleges, universities, and trade schools across our nation. Collectively, NASFAA members serve 90 percent of undergraduate students studying in the United States.

We are pleased to see the reinstatement of year-round Pell in the 2017-18 award year. The ability to use life-time eligibility for Pell on a condensed schedule—that is, on a year-round basis—will have many positive benefits for students.

The smoothness of the rollout will largely be dependent, though, on the partnership between the Department of Education (ED) and the financial aid community. NASFAA and our members stand ready to be of assistance as we collectively and thoughtfully consider implementation provisions. Congress has already laid the foundation for success by purposefully excluding any acceleration requirement, by emphasizing institutional flexibility to meet the needs of students in the accompanying explanatory statement, and by providing assurance that institutions will continue to determine the year to which cross-over periods are assigned.

We look forward to working with the Department through the negotiated rulemaking process to codify and implement the statute as provided by Congress. In the meantime, we offer our assistance in disseminating guidance to institutions by July 1, as Congress has directed. To be helpful to the interpretation and implementation stages, we pose the following questions and considerations regarding the legislative language:

1. **Implementation date.** The provision is “effective in the 2017–2018 award year and thereafter.” For periods of enrollment that cross over July 1, 2017, where the institution considers summer terms to be part of the concluding (2016-17) award year, will students who fully utilized a scheduled award in the regular 2016-17 academic year be able to receive additional Pell funds for summer based on the 2016-17 need analysis, or will a second Pell award be payable only out of 2017-18 funds and need analysis? Questions about the implementation date are time sensitive given the fact that summer 2017 terms are about to begin.
2. **Topping off.** The legislative language says that a scheduled award may be exceeded for “additional payment periods during the same award year that are not otherwise fully covered by the student’s Federal Pell Grant.” If a student has remaining eligibility from the first scheduled award (because of less than full-time enrollment) but not enough to cover the student’s full eligibility in the extra term, will the school be able to pay one amount that is composed of the remaining first scheduled award and however much is needed from the second to “top up” to the full eligibility? We urge the Department to provide the same allowance for schools to top off those amounts as was provided in the last iteration of year-round Pell.
3. **Enrollment status.** The legislative text states that a student can receive one and one-half scheduled awards if the student “is enrolled on at least a half-time basis while receiving any funds under this section.” Does that mean the student must be at least half-time only in the extra term being paid from a second award, or in every term paid from the same award year?

For example, suppose the student was enrolled less than half-time for summer 2017 and was paid from 17-18. Then he enrolls full-time fall, and full-time spring. Can he get the remainder of his first 17-18 scheduled award plus enough of his second award to make up a full-time payment for spring? Or does the fact that he got Pell at less than half-time in the first term of the award year disqualify him from the additional amount? We believe the former interpretation is the intent behind the provision, and is in practical terms far more beneficial to students and less prone to error.

4. **Assignment of cross-over periods.** We want to confirm that the Department will not be making changes to 690.64, or to current policies that allow institutions to assign cross-over periods to either year as matter of institutional policy, as is keeping with clear Congressional intent. The last iteration of year-round Pell created significant implementation burden for schools and students that eroded support for the program and drove up administrative costs.
5. **Monitoring usage within an award year.** Does the Department anticipate making any changes to the way in which it monitors the student's use of funds during an award year to ensure the student does not exceed 150% of the scheduled award in any given award year?
6. **Safe harbors & data collection.** Finally, we request that the Department issue guidance that provides a safe harbor for institutions until final regulations are effective. Such guidance should be applicable as an acceptable alternative for the entire award year, even if final rules are issued during the award year. We also suggest that institutions be consulted about, and involved in rigorous testing of, any additional data collection related to year-round Pell.

We look forward to working together to ensure that year-round Pell is implemented in a manner that is best for students and understandable by institutions. Please feel free to contact me with any questions.

Sincerely,



Justin Draeger,
President and CEO, NASFAA

cc: The Honorable Virginia Foxx
The Honorable Lamar Alexander
The Honorable Bobby Scott
The Honorable Patty Murray