Eligibility
The Senate bill, but not the House amendment, limits eligibility for Pell Grants to students from families with incomes of less than $30,000, after subtracting Federal and State income taxes. The Senate recedes.

Five year limitation
The Senate bill, but not the House amendment, limits eligibility to receive Pell Grant to five years. The House recedes with an amendment providing that Pell Grant eligibility is limited to five years of full time attendance or its equivalent; six years of full time attendance or its equivalent in the case of a program that normally requires five years for completion of the first baccalaureate degree; and does not include in either the five or six year period any period during which the student is enrolled in a non-credit or remedial course of study; and that this limitation on eligibility may be waived by the institution of higher education for undue hardship based on death of a relative of the student, the personal injury or illness of the student or special circumstances.

Minimum award for less-than-half-time-students
The House amendment, but not the Senate bill, provides for a minimum Pell Grant award of $50 in the case of less-than-half-time students. House recedes.

Remedial courses
The House amendment, but not the Senate bill, requires Pell Grant eligibility for non-credit and remedial courses, including courses in English language instruction, which are determined by the institution to be necessary to help the student be prepared for pursuit of a baccalaureate degree, or in the case of the course in English language instruction, necessary to enable the student to utilize already existing knowledge, training or skill. The Senate recedes.

One grant per year
The House amendment, but not the Senate bill, prohibits students from receiving Pell Grant payments concurrently from more than one institution or from the Secretary and an institution. The Senate recedes.

Limitation on disbursement of grant
The Senate bill, but not the House amendment, limits the amount of the student's grant that can be disbursed by crediting it to his or her account at the institution to the amount required for tuition and fees, and, in the case of university-owned housing, to room and board. The House recedes.

Linear reduction
The House amendment, but not the Senate bill, reduces the minimum grant available under linear reduction from $100 to $50. The House recedes.

Cost of attendance and family contribution schedule
The Senate bill, but not the House amendment, delineates the cost of attendance and family contribution schedule for the Pell Grant program in Section 411. The House recedes with an amendment eliminating the reinclusion in income of the married couple deduction when both work; deleting obsolete references to Social Security educational benefits; more specifically defining untaxed income; taking into account veterans educational benefits based on the amount expected to be received in the award year; in the case of a dependent student whose parent with whom they are living is divorced or widowed and who remarries, taking into account the income of the stepparent in determining expected family contribution; deducting state and local income
taxes paid or payable in determining expected family contribution; limiting the offset for unreimbursed elementary and secondary school tuition and fees for each child to an amount not to exceed the national per pupil instructional cost as published by the National Center for Educational Statistics; not considering home equity as an asset in the case of either a dislocated worker or a displaced homemaker; increasing the asset protection for home equity from $25,000 to $30,000; providing that the expected family contribution will be equally divided among the dependent children in postsecondary education; treating the independent student with dependents (other than a spouse) and the independent student with a spouse and no other dependents as in current law with respect to the assessment rate on discretionary income; and placing outside the cap on costs other than tuition and fees, the costs for child care (up to $1,000 per year) an the costs of special services or equipment for the handicapped. The conferees note that for those students who receive a Federal rental subsidy or other housing assistance payment, a special computation should be used to ensure fair treatment of these students. Rather than using the regular family size offset, which includes an allowance for housing, a special family size offset, computed by subtracting the housing allowance, should be used. In addition, the student’s housing subsidy should be excluded from income.

Recalculation
The House amendment and the Senate bill allow the institution to recalculate the eligibility index and award for a student if it determines that there has been a change in circumstances or an error that affect the amount of the award. The Senate bill, but not the House amendment, also requires that any corrected data be reported to the contractor who processes the applications for a confirmation of the amount of the eligibility index for the student. The House recedes with an amendment providing that the corrected data will also be provided to the central processor if one has been designated by the Secretary and clarifying that the corrected data is reported after an adjusted award has been made to the student.

Overawards
The Senate bill, but not the House amendment, requires institutions to pay the Secretary an amount equal to any excess amount received by a student as a result of an overaward in the Pell Grant program. The House recedes.

Contractor reports
The Senate bill, but not the House amendment, requires each contractor processing applications for awards to submit to the Secretary after each academic year a report on the correctness of the computations of amounts of the eligibility index and on the accuracy of the questions on the application. The House recedes with an amendment requiring these reports also to be provided by the central processor, if one has been designated by the Secretary, with respect to both corrections by other contractors and corrections by the student financial aid administrator.

Submission of schedule
The conference substitute provides that a joint resolution of approval is required for the implementation of any proposed modifications to the Pell Grant needs analysis or any updates which depart from the specific instructions in the law. In the absence of a joint resolution of approval within the time frame specified, the needs analysis will automatically be updated annually according to criteria and formulas specified in the law.
<table>
<thead>
<tr>
<th>Fiscal year</th>
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(1) Such sums.

**Maximum award**  
The Senate bill increases the maximum award from $2,000 to $3,000, while the House amendment increases it to $4,000. The Senate recedes.

**Minimum award**  
The House bill, but not the Senate bill, repeals the $200 minimum grant requirement. The Senate recedes with an amendment establishing a $100 minimum grant.

**Grant distribution**  
The House amendment, but not the Senate bill, permits payments to students of varying amounts rather equal amount during the academic year. The Senate recedes.

**Federal share**  
The House amendment, but not the Senate bill, reduces the Federal share of SEOG awards to 90% for FY 1989, 85% for FY 1990 and 80% for FY 1991 and each year thereafter, unless the Secretary determines that a large share is necessary for an institution. The House amendment also specifies allowable sources for the non-Federal share. The Senate recedes with an amendment reducing the percentages for the Federal share to 95%, 90% and 85% for fiscal years 1989, 1990 and 1991 and thereafter respectively.

**Need criteria**  
The Senate amendment requires that at least 75% of the students receiving an award at an institution be Pell Grant recipients. The Senate bill requires that SEOGs be awarded first to students with exceptional need and that priority in awarding grants be given to students who receive Pell Grants. The Senate bill also stipulates that in determining exceptional need, the expected family contribution of a student may not exceed 50% of the cost of attendance at the institution. The Senate recedes with an amendment requiring that SEOGs be awarded to students with the lowest expected family contribution at the institution. The managers wish to make clear that it is not their intent that awards must be proportional to the need of students at each institution. The Conferees wish to emphasize their belief that SEOG funds should be provided to the most needy students at an institution. The conferees recognize, however, that institutions may prescribe dates by which students must apply to be considered for limited SEOG dollars, and that students with the lowest EFCs, who meet the other eligibility criteria, would receive awards first. The conferees further recognize that some students applying later may have lower EFCs than some students awarded in the first round, and while the conferees would encourage institutions to implement procedures to insure that such students are given priority in awarding the remaining funds, the conferees do not intend to prescribe institutional procedures with respect to application dates.