



January 10, 2008

P-08-01

Subject: 2008-2009 Federal Pell Grant Payment and Disbursement Schedules

Summary: The enclosures to this letter contain the 2008-2009 Award Year Federal Pell Grant Program Payment and Disbursement Schedules

Dear Colleague:

Enclosed are the Payment and Disbursement Schedules for determining Federal Pell Grant awards for the 2008-2009 award year—July 1, 2008 through June 30, 2009—for full-time, three-quarter-time, half-time, and less-than-half-time students. It is important to note that on October 12, 2007, in Dear Colleague Letter P-07-02, we announced the repeal of the Federal Pell Grant “tuition sensitivity” award rule and the elimination of the Alternate Payment and Disbursement Schedules. Therefore, all 2008-2009 Federal Pell Grant awards will be based on one set of Payment and Disbursement Schedules.

The maximum Federal Pell Grant award for the 2008-2009 award year will be \$4,731, which is an increase of \$421 from the 2007-2008 award year. This maximum award was established in the manner described below.

On December 26, 2007, the President signed the Consolidated Appropriations Act, 2008, (Pub.L. 110-161) that establishes the maximum Federal Pell Grant award for the 2008-2009 award year at \$4,241. The minimum award continued to be \$400, and the maximum Expected Family Contribution (EFC) that a student may have to be eligible to receive a Federal Pell Grant is 4041. However, the College Cost Reduction and Access Act (CCRAA) (P.L. 110-84), enacted on September 27, 2007, provides for an automatic increase to each Federal Pell Grant award. For the 2008-2009 award year, this increase is \$490 for students enrolled full-time. The provisions of these two laws result in a 2008-2009 award year maximum Federal Pell Grant of \$4,731 (\$4,241 plus \$490). For students enrolled less-than-full-time, the increase is ratably reduced according to enrollment status. In establishing this increase, the CCRAA does not extend the maximum Federal Pell Grant eligible EFC beyond the EFC that was determined by the relevant fiscal year appropriations bill – 4041 for the 2008-2009 award year.

In developing the 2008-2009 Federal Pell Grant Payment and Disbursement Schedules, we used \$4,241, the appropriated maximum 2008-2009 Federal Pell Grant award, to establish the EFC and cost of attendance (COA) parameters. We calculated individual grant amounts based on this maximum, the \$400 minimum, and the various combinations of EFC and COA. We then added

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\$490 (or a lesser amount for less-than-full-time recipients) to each cell to derive the attached 2008-2009 Federal Pell Grant Payment and Disbursement Schedules. Institutions will use the attached Payment and Disbursement Schedules for determining all 2008-2009 Federal Pell Grant awards without regard to the manner in which the schedules were created. Also, institutions will only need to report a single award amount to the Common Origination and Disbursement (COD) system.

Because the new maximum Federal Pell Grant award amount is not evenly divisible by two or three (the most common payment period divisions for an annual award), we refer institutions to Volume 3, Chapter 3, page 3-29 of the 2007-2008 Federal Student Aid Handbook where we describe how to handle unequal payment amounts, including options for rounding or making disbursements with cents. This information will be the same in the 2008-2009 Federal Student Aid Handbook when it is released.

Institutions should also review Volume II, Section 1, pages II-1-146 and II-1-147 of the 2008-2009 COD Technical Reference for guidance on reporting payments with cents to COD if you do not round to the nearest dollar. The 2007-2008 Federal Student Aid Handbook and the 2008-2009 COD Technical Reference are available on the Information for Financial Aid Professionals (IFAP) Web site, located at <http://ifap.ed.gov>.

We appreciate your continued support in making Federal Pell Grant assistance available to students. If you have any questions regarding the enclosed 2008-2009 Federal Pell Grant Payment and Disbursement Schedules, please contact our Research and Customer Care Center staff. Staff is available Monday through Friday between the hours of 9:00am and 5:00pm (Eastern Time) at 1-800-433-7327. After hours calls will be accepted by an automated voice response system. Callers leaving their names and phone numbers will receive a return call the next business day. Alternatively, you may fax an inquiry to the Research and Customer Care Center at (202) 275-5532, or via e-mail at fsa.customer.support@ed.gov.

Sincerely,



Lawrence A. Warder
Acting Chief Operating Officer

Enclosures