

The regulations require institutions to provide a way for a Federal Pell Grant eligible student to obtain or purchase, by the seventh day of a payment period, the books and supplies required for the payment period when certain conditions are met. If, 10 days before the beginning of the payment period the institution could disburse Title IV, Higher Education Act of 1965, as amended (HEA) program funds for which the student was eligible, and if disbursed a credit balance would result, the institution is required to provide to the student the lesser of the presumed credit balance or the amount needed by the student for books and supplies, as determined by the institution.

Section 668.164 – Disbursing funds.

Section 668.164(i): Under the final regulations, if 10 days prior to the beginning of the payment period, the institution could disburse Title IV, HEA program funds for which a student is eligible and if the presumed disbursed amount of Title IV, HEA funds exceeds the cost of tuition and fees, thus producing a presumed credit balance, the institution must provide a way for the Federal Pell Grant eligible student to obtain or purchase his books and supplies for the payment period within 7 days of the beginning of the payment period. The amount the institution must provide is the lesser of either the presumed credit balance or the amount needed by the student for books and supplies, as determined by the institution.

We estimate that of the 9,026,805 Federal Pell Grant recipients in the 2012-2013 award year, approximately 30% or 2,708,041 would have or did have a Title IV, HEA credit balance. Of that number, we estimate that 25% ($2,708,041 \times .25 = 677,010$) of the Federal Pell Grant recipients will have a presumed credit balance 10 days before the beginning of the payment period. Therefore, we estimate that institution will need to provide a way for 677,010 Federal Pell Grant recipients to obtain or purchase their books and supplies within 7 days of the beginning of the payment period.

We expect that institutions have completed the initial programming changes that would have been required to determine the number of students affected by these regulations. Therefore, we estimate that each institution will spend 1 hour validating current programming and making any changes to identify these Federal Pell Grant recipients with presumed credit balances, a decrease of 2 hours from the previous information collection filing. Once those recipients are identified, we estimate an additional .08 hours of burden to contact the student and make them aware of the way the institution provides for them to obtain or purchase their books and supplies within the first 7 days of the payment period.

PRIVATE INSTITUTIONS:

We estimate that 1,743 private non-profit institutions participating in the Federal Pell Grant program will, on average, spend 1 hour to validate and make programming changes needed to identify Federal Pell Grant students with a presumed credit balance. Therefore, the total burden will be 1,743 hours, a decrease of 2,826 hours from the previous burden collection.

Additionally, these 1,743 institutions will be required to notify an estimated 88,288 Federal Pell Grant eligible students with a presumed credit balance at an average of .08 hours (5 minutes) or 7,063 hours of additional burden. This is a decrease in burden of 3,557 hours from the previous burden collection.

of Responses: # of Respondents: Hrs/Response: # of Burden Hours:

PRIVATE INSTITUTIONS:

Analysis and programming -				
1,743	1,743	X 1hr	1,743	
Identifying and notification –				
88,288	*	X .08hrs	7,063	

TOTALS

Responses	90,031
Respondents	1,743
Burden Hours	8,806