



This guide is intended to help you learn more details about the Federal Pell Grant Program, so you can ask questions and make informed choices. You don't need to understand or remember the details in this resource, and if you find yourself feeling confused, that's okay! You could try making a list a few questions you'd like to ask your advisor instead. Please also keep in mind that the Pell Grant will change as federal laws change. Talk to the financial aid office at your college to make sure you have the most recent and accurate information.

THE LANDSCAPE

WHAT IS THE PELL GRANT?

The Pell Grant is a type of **need-based** federal student aid, designed to help undergraduate students with exceptional **financial need** pay for college. The maximum Pell Grant amount changes yearly, and each **term** the amount you qualify for will also change based on calculations of your financial need. Here are some specific details you may like to know about the Pell Grant:

- Unlike student loans, Pell Grants are free and do not have to be repaid (except under unusual circumstances where your Grant does need to be returned, explained below).
- To apply for Pell, you must complete the **FAFSA**. To learn more, see the resource **FAFSA Overview**.
- After your FAFSA is processed, you will learn if you are eligible for a Pell Grant. Eligibility requirements are explained on the next page.
- If you are eligible for Pell, your school will calculate your **financial need**, which will determine your specific **scheduled award** -- the maximum Pell amount you could receive for the year if you enroll full-time for the full school year. Your actual award amount will be adjusted depending on how many classes you take. You **don't** need to know these specifics or remember these terms; just know that your financial aid office will calculate how much Pell funding you can get each year.
- It's possible you could end up owing money back to the school if you do not successfully complete a course that you use the Pell Grant to pay for. If you fail or drop out (**withdraw**) from a course after a certain deadline has already passed, the college may need to give back your Pell Grant to the federal government, and your college could end up charging you for that cost.
- When using the Pell Grant, it's very important to communicate with your advisor and financial aid office if you are being released or have an unexpected withdrawal for any reason. The deadline described above is typically called something like a "withdraw without penalty date," and will be listed in your college's academic catalog and on your college's academic calendar.

WHAT IS PELL REINSTATEMENT?

Pell reinstatement refers to the return of Pell Grant eligibility for incarcerated people who were previously not able to receive it. Federal Law changed with the FAFSA Simplification Act of 2020, which went into effect in 2023, and reinstated incarcerated college students' ability to access the Pell Grant, which had been prohibited for almost 30 years.

To be eligible, an incarcerated student must meet all the typical Pell Grant eligibility requirements outlined on the following page, and they **must** be enrolling in an **approved Prison Education Program**, or **PEP**. Only prison education programs that have gone through an extensive approval process can use Pell. Learn more about requirements below.

LEARN MORE

Learn about the impact of owing money to your college in **Institutional Debt & Financial Transcript Holds**.

KEY TERMS

Additional terms in **blue** in this resource can be found in the *Navigating Forward Glossary*.





To qualify for the Pell Grant, you must meet **all** of the following requirements:

Be enrolled in a qualified program that leads to a recognized degree or certificate:

Programs must also maintain certain standards for their students to be eligible for federal aid. As an incarcerated student, you must be enrolled in an **approved Prison Education Program (PEP)**. Learn more about PEPs in the following section **What Are Requirements for PEPs?**.

Must be a U.S. citizen or an Eligible Noncitizen:

Two examples of an Eligible Noncitizen are --

- U.S. permanent resident or green card holder
- An individual with an I-94 showing a status that is refugee, asylum granted, or parolee

Many other categories are included as well.

Unfortunately, there are too many specific statuses and circumstances to accurately convey here. To understand if you may qualify as an Eligible Noncitizens, speak with your financial aid office.

Have not already earned a bachelor's, graduate, or professional degree:

If you have already earned a bachelor's degree, you will not be eligible to use Pell for another college program—even for an associate or certificate program, and even if you didn't use Pell for your bachelor's.

Demonstrate a financial need:

The Pell Grant is need-based aid. The following section **What is Financial Need?** will explain more.

Must not be in default on any federal student loans:

Being in **default** on your loans means that you have failed to make the required payments on the loan. If you are in default, you may be able to use loan consolidation or loan rehabilitation to restore your financial aid eligibility. Ask your college about your first steps for this process or learn more in the resource **Financial Aid Overview**.

Maintain Satisfactory Academic Progress (SAP):

SAP is a policy to ensure students are meeting certain standards and progressing toward graduation. Many students mistake this to simply mean you have to maintain good grades, but GPA is only one part of SAP. If you have a lot of extra credits from previous college programs, you may also be at risk for not meeting SAP. Learn more in the resource **SAP and SAP Appeals**.

**AM I ELIGIBLE
FOR THE PELL
GRANT?**

Have not reached your lifetime Pell eligibility limit:

Simply put, federal law limits the amount of Pell Grant funds you may receive over your lifetime to the equivalent of six years. FSA keeps track of this using a figure called **Lifetime Eligibility Used (LEU)**. Everyone starts with an LEU of 0 before you've used any Pell funding and you reach your limit if you get to 600%. Each time you receive the Pell Grant, your LEU increases. If you want to know your specific LEU or understand how it is calculated, talk with the financial aid office at your school.

If any one of these criteria makes you ineligible for the Pell Grant, you may want to follow up with the resource **Options Beyond the Pell Grant**.





WHAT IS FINANCIAL NEED?

Having a demonstrated **financial need** is one of the requirements to receive the Pell Grant, and it also determines how much of the Pell Grant you qualify for. If you met all of the eligibility criteria for the Pell Grant in the 2025 - 2026 award year, the maximum amount you could qualify for is **\$7,395** for the year (July 1, 2025, to June 30, 2026). Factors that are used in the financial need calculations and will impact your award amount include:

- **Cost of Attendance (COA):** The total estimated price for one year of a college program, before financial aid is applied. Your college's financial aid office will calculate COA by counting specific "allowable costs," like tuition and fees, or student housing. The COA is very important for calculating financial aid because a student **cannot** receive more financial aid than the COA. Your Pell Award will be reduced if your COA is smaller. For incarcerated students, the cost of attendance can only include tuition, fees, required books, course materials, supplies, equipment, and the cost of obtaining a license, certification, or a first professional credential.
- **Student Aid Index (SAI):** Your SAI shows, using a number scale, your financial need based on the information you provided when you submitted your **FAFSA**. Your college receives your SAI and uses it to calculate your aid.
 - The lower your SAI, the more Pell funding you may be eligible for.
 - An SAI between -1500 and 0 means you may be eligible for the full Pell Grant amount.
- **Enrollment Status:** The number of credit hours you are taking each semester will impact the amount of aid you qualify for; full-time students receive more aid than part-time students. Your financial aid office will adjust your aid based on your course load. Other factors can impact your enrollment status as well, like if you are enrolled in a fully correspondence course. Write or speak to your program directly if you have questions about your enrollment status.

These financial aid calculations are complex, and your financial aid office is your best place to turn for help understanding your award. Keep in mind that information about your specific award will be provided to you in your **financial aid award** letter.

Use this space to write down questions you have for the financial aid office at your college or to take notes on the next steps and additional resources you want to follow up on next.





WHAT ARE THE REQUIREMENTS FOR PEPS?

Any **Prison Education Program (PEP)** that wants to become “approved” to use Pell Grants must meet certain requirements that are set by federal policies and guidance. These guidelines seek to ensure that incarcerated students are receiving the same high quality education that is expected of colleges operating outside of prison.

PEP Approval Process:

Incarcerated students are only eligible to use the Federal Pell Grant if they are enrolling in an “Approved PEP.” To be approved, a program **must** meet requirements including, but not limited to:

- Must be a public or nonprofit educational institution, or a postsecondary vocational institution; **for-profit** colleges are not eligible;
- Must get approval from the entity that oversees the prison facility to operate in a correctional facility;
- Must offer transferability of credits to at least one institution of higher education in the state where the correctional facility is (or with federal facilities, the state most people will be going home to);
- The academic coursework provided by the PEP must satisfy any relevant licensure or certification requirements; and,
- It must **NOT** be a program designed for employment for a job or occupation if that job or occupation usually prohibits formerly incarcerated people from being licensed or employed in that state. In other words, you can't offer a program to teach a career path if that career will exclude these students.

Best Interest Determination:

To maintain Pell eligibility, the PEP must also prove that it is acting in the best interest of students. It will be evaluated on the following, among other things:

1. Whether the experience, credentials, and rates of turnover of instructors for the PEP are substantially similar to other programs at the college, accounting for the unique constraints of prison;
2. Whether the transferability of credits for courses available to incarcerated individuals is substantially similar to those at other similar programs at the college;
3. Whether the prison education program's offering of relevant academic and career advising services to incarcerated individuals, in advance of reentry and upon release, is substantially similar to offerings to a student who is not a confined or incarcerated individual; and
4. Whether the institution ensures that all formerly incarcerated individuals are able to fully transfer their credits and continue their programs at any location of the institution that offers a comparable program, including by the same mode of instruction.

Title IV Eligibility:

There are also requirements that all college programs (in prison or not) must follow to be eligible for federal student aid (sometimes called Title IV). The following list gives you just a sample. Talk to your advisor to learn more:

- Must offer an **accredited** program that leads to a recognized credential (in other words, a **degree** or **certificate**) that is approved for federal student aid funding. Accreditation is a process where schools and programs are evaluated to ensure certain standards are met and credits and degrees are valid.
- Must publish and make readily available to students certain data and policy information. This publication must include: information about the academic programs available at the school, the types of financial aid available to students, the **cost of attendance**, information about **transfer** credits, the graduation rate, graduate job placement, financial aid eligibility requirements, and many other policies and collected school data.

