

NON-TERM/ROLLING STARTS

Selecting Institutional Payment Periods

Cal Grant awards used at schools with rolling starts will usually have student attendance periods that do not match up with the Commission's Cal Grant payment schedules. The Commission pays out Cal Grant funds to schools on a quarterly schedule (four times per calendar year) or a semesterly schedule (three times per calendar year). Those schools that have students whose enrollment periods begin on a rolling basis throughout the year must select their own "institutionally selected payment periods." These are three-month (quarterly) or four-month (semesterly) periods of time that a school selects and then uses to attribute Cal Grant payments for all participants for that year at the school. Annually, a school will report its selected payment periods for the next year on the College Cost Estimate.

Selected Payment Periods

A school's selected payment periods would always include only four or three periods during a twelve-month period. The chosen dates can include or exclude periods when school happens to not be in session, such as during a Winter break or the Spring break. The sample below includes gaps such as this. Also, the periods must be very close to the same length of time each.

If a school uses dates that are not exactly three months in length (quarterly) or four months in length (semesterly), the chosen dates should be as close to being equal in length as school in-session dates allow. Also, periods of time may only be excluded if no students will normally be in attendance at the school on those days. Selecting periods in this manner is not required. Schools may wish to choose exactly 3-month or 4 month periods. For example Oct. 1 to Dec 31, Jan 1 to March 31, etc.

Here are two examples of a school selected periods:

Selected Payment Quarter:	Attributed to:
Sept 15 – Dec 15	CSAC Fall payment period
Jan 2 – April 2	CSAC Winter payment period
April 14 – July 12	CSAC Spring payment period
July 15– Sept 14	CSAC Summer payment period

Selected Payment Semester:	Attributed to:
Aug 15 – Dec 15	CSAC Fall payment period
Jan 2 – May 2	CSAC Spring payment period
May 14 – Aug 12	CSAC Summer payment period

Partial Attendance during a Period

For a payment to be attributable for a student during an initial payment period, he or she must be enrolled for at least one half of the payment period. On the preceding chart, a student attending the quarterly example school beginning enrollment on September 30 would be in attendance at least one half of the assigned Fall period; therefore full payment could be made for Fall. If the same student began November 30 (greater than halfway through the period) no payment could be assigned for Fall. Instead, the payment would be assigned to the winter period based on the total length of attendance from the actual start date. The days not paid that were from the Fall payment period would be carried over for payment during the last payment period if attendance for that period is not at least one-half of the period.

The total length of the program must be considered when attributing the payments. If a student's program length is 12 months in length, payment will be allowed for a maximum of four quarter periods or three semester periods. Since a student would usually start their program partway through an institutionally selected payment period, this means that a student in a 12 month program would be reported either for the period that contains the first fractional period, or for the fractional period at the end of their program, but not both.

In those instances when a student attends exactly one half of the payment period, Cal Grant payment is allowed for that period. The use of payment periods is a methodology to properly assign payment, not a method to limit payments. If a participant cannot initially be paid until the next payment period, the amount of the first payment and the attendance status to be entered for the student is based on the student's actual enrollment period but attributed to the next period.

Payment Based on Total Program Length

The student must be enrolled in a course of study that meets the program minimum for their Cal Grant program. This list gives the program minimums:

- Cal Grant A = 48 semester units or the equivalent (18 months) AA or BA – BS programs only
- B = 24 semester units or the equivalent (nine months) Certificate, AA or BA – BS programs
- C = 4 months or longer Certificate or AA programs only

Cal Grant C requires that the program length be at least four months in length. Therefore any course of study of less than four months cannot be paid. The equivalent of 24 semester units is 36 quarter units or 900 clock hours. Be aware that the minimum program lengths for all programs refer only to the total length of the student's program and not to any portion of a program that overlaps into other academic years. For example, a participant will be eligible for Cal Grant B participation if they are in a 12 month program even if they can receive only one

period of payment because they were awarded near the end of their program of study.

This chart defines the number of periods that can be paid based on the total length of the program and deals only with payment eligibility based on the length of the program:

Total Length of Program	Maximum periods that can be paid
0 to 3 months (Never eligible)	0
4 months – 4.5 months (Cal Grant C only)	1
4.5 to 7.5 months (Cal Grant C only)	2
7.5 to 8.99 months (Cal Grant B and C)	3
9.0 months to 10.5 months (Cal Grant B and C)	3
10.5 months to 13.5 months (Cal Grant B and C)	4
13.5 to 16.5 months (Cal Grant B and C)	5

For example, a 10 month program is always paid only for three periods.

Each school must set their own selected payment periods. The Commission does not set them for the school. It is expected that schools will set a schedule that works to the benefit of the school and the students. Things to consider when setting assigned payment periods for Cal Grant payment purposes:

- These payment periods must be used for the entire award year.
- If switching to new payment periods for the following year, the school must assure that no student is overpaid or underpaid due to the shift.
- During a Commission compliance audit, Compliance staff will expect that a list of selected payment periods will be available upon request.
- A school may have seasonal periods when enrollment increases. For example, if a school sees regular increases in enrollment each August, this may be a realistic month to choose as the start of a payment period.
- Attribution based on payment periods is used regardless of when the student begins their course of study.
- All payment periods which begin prior to July 1 will be considered as part of the prior academic year. Summer payment periods beginning July 1 or after may be assigned to the new year as a header to that year, or as a trailer to the prior year. Newly awarded Cal Grant C participants may receive payment from the Commission's Summer payment period but only if the payment period begins

July 1 or later. For this reason, a school may want to make sure that the “summer” payment period begins July 1 or later.

Payment of Cal Grant A program awards can be made only to students enrolled in programs of study requiring attendance for at least 48 units or the equivalent in an associate or baccalaureate degree program. Certificate programs, even if they require 48 units or more, are not Cal Grant A eligible.

Selected Payment Period Chart

The Commission requires that schools with rolling starts create selected payment period charts similar to the chart on the first page to use for all of their students for the award year.

The following chart illustrates how a twelve-month program may overlap a school’s chosen assigned payment periods and how payment must be attributed based on the actual attendance dates:

Selected Payment Periods				
1 st Period	2 nd Period	3 rd Period	4 th Period	5 th Period
3 months max	3 months max	3 months max	3 months max	3 months max
Sept 15 – Dec 18	Jan 2 – April 2	April 12 – July 12	July 15– Sept 14	Sept 17 to Dec 16
Student’s enrollment period = 12 months November 15 to November 14				
Enrollment period begins with one month left in assigned payment period		Student’s period of attendance		Enrollment period ends two months into assigned payment period
No payment	Full payment	Full payment	Full payment	Full payment
<p>Cannot pay for this portion since the student attended less than half of selected payment period. These days are carried over to the end of the student’s attendance in the event that attendance during the final payment period was less than one-half of the payment period.</p>				<p>Can pay for this period since attendance for period is one-half or greater of the selected payment period. Carried over days could be added if this was less than one-half of the payment period.</p>
The student can be paid for four full periods because the program length of 12 months allows it				

If a student drops out at any time, the school must make sure that the student is not paid more than the lesser of the calculated financial need of the applicant for the attendance period or the sum of the maximum term payment amounts from which payment was to be claimed. Also, tuition/fee awards can never exceed the actual tuition and fees that can be attributed for the for the attendance period.

Schools with rolling starts should add language to their student disclosure materials that explain that Cal Grant funds will not be paid out for a student's enrollment period that is not at least one half of a payment period. Likewise, schools should make sure that their attendance policies and refund policies mesh successfully with this method of payment delivery.

Tuition Proration for "Pay in Full" Schools

At some schools, the student's tuition and fees for their program will be fully due and payable at the beginning of the student's educational program. Cal Grant payments, however, may be made only over the length of the program on a quarterly or semesterly basis. In order to determine how much tuition can be attributed to a particular payment period, the Commission will prorate the tuition fee payments by taking the total tuition and fees for the program and divide them by the normal number of months of the program. The amount calculated is used then to calculate how much tuition/fee money the school can retain in the event the student leaves the program prior to completing the program.

Tuition Proration Example:

Tuition and fees charged for program = \$13,200			
Length of Program = 12 months			
Student leaves after 8 months after 3rd period			
tuition and fees were already accepted			
1st	2nd	3rd	
Period	Period	Period	Total
Cal Grant periods paid	\$3,236	\$3,236	\$3,236
Maximum attributed tuition and fees	\$3,300	\$3,300	\$2,200
	3	3 months	2 months
	months		
Amount to be refunded			\$908

It must be noted that the disbursed amount of a Cal Grant tuition award in the Cal Grant A, B, and C programs cannot ever exceed the amount of tuition charged to the student for the time period in question.

Commission requires that schools have a written Cal Grant refund policy. This policy should take into consideration and be in compliance with any federal R2T4 (return to Title 4) requirements. Schools would be responsible to refund any Cal Grant tuition and fees in the event the student leaves at a time when the paid tuition/fee amount cannot be fully attributed based on the length of attendance.

Reporting Need for Renewal Recipients

Schools must calculate and report renewal recipients' Cal Grant need. To remain in the program, renewal Cal Grant recipients must have a financial need of \$100 or more using the following formula:

$COA - EFC - PELL = \text{Cal Grant need}$

(Cost of Attendance minus Expected Family Contribution minus Pell Grant equals Cal Grant need)

When reporting a renewal need to the Student Aid Commission, schools should calculate and report an annual need based on the financial aid award year in effect for the first payment period of the award year.

The formula above is used to determine which students will remain in the program. Since other financial aid that the student is receiving is not included in this formula, it is possible that a student can remain in the program based on the renewal need formula but not have any payment eligibility. Schools must consider other sources of financial aid the student is receiving when calculating the actual amount of the student's Cal Grant payment.

Students who have enough need using the renewal formula, but not enough need when other aid is considered, will remain in the program but will not be paid.

Schools must report the maximum annual need amount for renewal students even if the student may only be attending the school for one term. Schools may use the Commission's annually established Student Expense Budgets to confirm the financial need of renewal applicants or may use their own student expense budgets to determine renewal eligibility.

Cal Grant C renewal participants are automatically renewed and no reported financial need is required.