

Federal Student Aid

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SUBJECT: Eligibility of Confined or Incarcerated Individuals to Receive Pell Grants

SUMMARY: This letter provides guidance to institutions regarding the requirements for confined or incarcerated individuals to receive Federal Pell Grants on or after July 1, 2023.

Dear Colleague:

The FAFSA Simplification Act (the Act), signed into law in December 2020, restored Pell Grant eligibility to confined or incarcerated individuals for the first time since 1994. The new law requires a “confined or incarcerated individual” (see *definitions* section) to enroll in an eligible prison education program (PEP) in order to access a Federal Pell Grant. On October 28, 2022, the Department of Education (Department) [published a final rule](#) in the *Federal Register* (87 FR 65426) to implement the requirements in the Higher Education Act of 1965, as amended (HEA) for eligible PEPs. This final rule will go into effect on July 1, 2023.

Purpose of This Guidance

This Dear Colleague Letter summarizes the requirements to restore Pell Grant eligibility to confined or incarcerated individuals in Federal or State correctional facilities, and updates information regarding Pell Grant eligibility requirements for confined or incarcerated individuals in local facilities. It summarizes applicable regulations for postsecondary institutions offering PEPs and the steps required to develop and implement such programs so that confined or incarcerated individuals may gain access to Pell Grant funds. It also describes the responsibilities of schools, accrediting agencies, and oversight entities regarding PEPs.

What the FAFSA Simplification Act Does

The Act adds new HEA section 483(t)(3), which requires confined or incarcerated individuals who otherwise meet Pell Grant eligibility requirements to be enrolled or accepted for enrollment in an eligible PEP (Note: the law does not require a school to make changes to existing postsecondary educational programs in correctional facilities unless the school seeks to make those programs eligible for Pell Grant funds). As summarized further below, the Act made several other significant changes that directly or indirectly affect the eligibility of confined or incarcerated individuals for student assistance under title IV of the HEA.

Effective July 1, 2023, the Act also removes the prohibition in HEA section 401(b)(6) that prevented institutions from awarding Federal Pell Grants to any individual who is not incarcerated in any Federal or State correctional facility but is subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense. As of July 1, 2023, the implementation date of the Act, these individuals are not considered to be confined or incarcerated and are not required to enroll in a PEP to receive title IV aid.

The chart below summarizes the sections of the Act that pertain (either directly or indirectly) to the eligibility of incarcerated students for student assistance under Title IV of the HEA and provides links to corresponding Department guidance or regulations:

Provision	Effective Date	Reference Link
Eliminates the requirement for students to register with the Selective Service System as a condition of receiving Federal student aid	July 1, 2021	June 17, 2021 Federal Register notice (86 FR 32252) EA-GENERAL-21-39

Eliminates suspension of title IV eligibility for drug-related convictions	July 1, 2021	June 17, 2021 Federal Register notice (86 FR 32252) EA-GENERAL-21-39
Permits students incarcerated in Federal or State correctional facilities (and students who are subject to involuntary civil commitments) to receive Pell Grants	July 1, 2023	Oct. 28, 2022 Federal Register notice (87 FR 65426) EA-GENERAL-21-39
Creates a new definition of an “eligible prison education program,” and adds requirements for approval, reporting, oversight, and evaluation of such programs	July 1, 2023	Oct. 28, 2022 Federal Register notice(87 FR 65426) DCL GEN-22-15
Requires an annual report to be published by the Department that includes information and outcomes about eligible PEPs	July 1, 2023 (First report planned for July 2024)	N/A
Amends the definition of cost of attendance (including for incarcerated students) and permits the Department to regulate that definition (except for the tuition and fees component)	July 1, 2023	DCL GEN-22-15
Allows financial aid administrators more discretion to make adjustments for students with special or unusual circumstances, including incarceration	July 1, 2023	DCL GEN-22-15

Eligibility for Other Types of Title IV aid

Students who are confined or incarcerated remain ineligible for Direct Loan funds during the period of their incarceration. There are, however, no statutory or regulatory limitations on eligibility confined or incarcerated individuals for TEACH Grants, Federal Supplemental Education Opportunity Grants (FSEOG), or Federal Work Study (FWS) programs. Students may not qualify for these types of assistance due to other program requirements, but institutions must consider those programs when awarding aid to enrolled confined or incarcerated individuals.

Annual Report by the Department

The Act added new HEA section 484(t)(5), which requires the Department to publish an annual report on the impact of the new statutory provisions on confined or incarcerated individuals and provide that report to Congress. The report must include results for all eligible PEPs at each institution, and “findings regarding best practices with respect to prison education programs.”

Getting Started with Prison Education Programs

The Department’s final regulations for PEPs, published in the *Federal Register* on October 28, 2022, creates a new [34 Code of Federal Regulations \(CFR\) part 668, subpart P](#) [↗](#), which establishes the general requirements for PEPs, explains the application and approval process for such programs, and describes the requirements and obligations of institutions, accrediting agencies, and oversight entities.

New or Revised Program Definitions

In addition to the description of a PEP below, the regulations set forth several definitions that pertain to confined or incarcerated individuals. [REVISED] means revised from the previous definition that already existed in regulation and [NEW] means a term created by the final PEP regulations. Please read this entire letter for more information on the definitions:

- **Additional location (34 CFR § 600.2) [REVISED].** (1) A physical facility that is geographically separate from the main campus of the institution and within the same ownership structure of the institution, at which the institution offers at least 50 percent of an educational program. An additional location participates in the title IV, HEA programs only through the

certification of the main campus. (2) A Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional institution is considered to be an additional location even if a student receives instruction primarily through distance education or correspondence courses at that location.

- **Advisory committee (34 CFR § 668.235) [NEW].** A group established by the oversight entity that provides nonbinding feedback to the oversight entity regarding the approval and operation of a PEP within the oversight entity's jurisdiction.
- **Confined or incarcerated individual (34 CFR § 600.2) [REVISED].** An individual who is serving a criminal sentence in a Federal, State, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility, or other similar correctional facility. An individual is not considered incarcerated if that individual is subject to or serving an involuntary civil commitment, in a half-way house or home detention, or is sentenced to serve only weekends.
- **Feedback process (34 CFR § 668.235) [NEW].** The process developed by the oversight entity to gather nonbinding input from relevant stakeholders regarding the approval and operation of a PEP within the oversight entity's jurisdiction. A feedback process may include an advisory committee.
- **Oversight entity (34 CFR § 668.235) [NEW].** The appropriate State department of corrections or other entity that is responsible for overseeing correctional facilities, or the Federal Bureau of Prisons.
- **Relevant stakeholders (34 CFR § 668.235) [NEW].** Individuals and organizations that provide input as part of a feedback process to the oversight entity regarding the approval and operation of a PEP within the oversight entity's jurisdiction. These stakeholders must include representatives of confined or incarcerated students, organizations representing confined or incarcerated individuals, State higher education executive offices, and accrediting agencies and may include additional stakeholders as determined by the oversight entity.

General Requirements for an Eligible PEP (34 CFR § 668.236)

The regulations outline several requirements for an eligible PEP. As noted above, to qualify for Pell Grant funds, a confined or incarcerated individual must be enrolled in an eligible PEP.

An eligible PEP must be an eligible program under 34 CFR § 668.8 **and** meet the following requirements:

- The PEP must be offered by an eligible public or private nonprofit institution of higher education. Private for-profit (proprietary) institutions cannot offer an eligible PEP.
- The PEP must be offered by an eligible institution that has been approved to operate in a correctional facility by the oversight entity.
- After two years of approval and prior to the expiration of each of the institution's subsequent Program Participation Agreements, the oversight entity determines whether the PEP is operating in the best interest of students. More information about the "best interest" determination can be found below in the section "Best Interest of Students."
- Credits from an eligible PEP must be transferable to at least one eligible public or private nonprofit institution of higher education in the State where the correctional facility is located, or in the case of a Federal correctional facility, in the State where most of the confined or incarcerated individuals in such facility will reside upon release as determined by the institution based on information provided by the oversight entity.
- An institution that wishes to offer a PEP cannot be or have been subject, in the past five years, to suspension, emergency action, or termination actions by the Department, any action by the State to revoke a license or other authority to operate, or final accrediting action that is an adverse action as defined in 34 CFR § 602.3 by the institution's accrediting agency. An institution also cannot be subject to an initiated adverse action by an accrediting agency.
- Eligible PEPs do not need to be designed to lead to licensure or certification, but if they are, the programs must satisfy educational requirements for licensure or certification in the State where the correctional facility is located (or, for Federal correctional facilities, where most individuals will reside after release, as determined by the institution not less than annually based on information provided by the oversight entity).
- The postsecondary institution offering the PEP cannot enroll a confined or incarcerated individual into a PEP if there is a prohibition on the individual qualifying for professional licensure or employment in the sectors or occupations for which the program prepares the individual based on the individual's conviction in the appropriate State. An institution must check annually to ensure that there are no such prohibitions on licensure or employment.

Responsibilities of Accrediting Agencies

A postsecondary institution's accrediting agency or State approval agency must ensure the institution has the ability to offer and implement a PEP in accordance with the agency's accreditation standards. The agency must:

- Evaluate and approve at least the first PEP at the institution's **first two** prison locations to ensure the institution is able to offer and implement the program in accordance with agency's accreditation standards and include it in the institution's grant of accreditation or pre-accreditation. This must occur **prior** to the school's application for approval to the Department.
- Evaluate the **first** additional PEP offered by a new method of delivery to ensure the institution's ability to offer and implement the program based on the agency's standards and include it in the institution's grant of accreditation or pre-accreditation. This must occur **prior** to the school's application for approval to the Department.
- Perform a site visit as soon as practicable but no later than one year after the institution begins to offer the PEP at the first two additional locations.
- After two years (after the first best interest determination is made for the eligible PEP) the institution's accrediting agency will review and approve the methodology for how the institution, in collaboration with the oversight entity, made the determination that the PEP meets the same standards as substantially similar programs that are not PEPs at the institution.

A program that fails to meet the institution's accrediting agency or State approval agency requirements is not an eligible PEP. Additionally, as described above, if an accrediting agency initiates an adverse action against the institution, this will impact the institution's ability to offer an eligible PEP. For example:

- If an accrediting agency initiates an adverse action, the institution cannot begin its first or a subsequent PEP until the initiated adverse action has been rescinded; and
- If the institution currently offers one or more PEPs and is subject to an initiated adverse action, the institution must submit a teach-out plan to its accrediting agency, as defined under 34 CFR § 600.2.

The Department plans to issue additional guidance specific to accrediting agencies.

Responsibilities of Oversight Entities

As described above, the regulations define an oversight entity as the appropriate State Department of Corrections or other entity that is responsible for overseeing correctional facilities within the State or the Federal Bureau of Prisons. An institution should view the oversight entity as its counterpart for purposes of PEP operation.

Oversight entities have three primary responsibilities:

1. Approve any and all PEPs operated in the correctional facilities it oversees. Initial approval to operate may last up to two years.
2. After two years of initial approval, promptly make a "best interest determination" to determine if an eligible PEP is operating in the best interest of students (more below).
3. Agree to provide data to the postsecondary institution on student release or transfer between facilities.

Collaboration and partnership will be key factors for institutions, correctional facilities, oversight entities, and other stakeholders when implementing PEPs. An advisory committee, while optional, also can be a helpful source of nonbinding feedback to the oversight entity regarding the approval and operation of a PEP within the oversight entity's jurisdiction.

Initial Oversight Entity Approval of PEP Description (34 CFR § 668.238(b)(4))

Initial approval of a PEP may be granted by an oversight entity without first making a best interest determination. To allow flexibility and time to build and operate the PEP, there are no specific requirements for the initial approval, and the oversight entity can use any information about the program that is available to make their initial approval. However, as part of the application process, the postsecondary institution must describe the information the oversight entity used to initially approve the PEP. This means describing intended methodology, including thresholds, benchmarks, standards, metrics, data, and other information and how the oversight entity plans to collect the information required by 34 CFR § 668.238(b)(4).

Best Interest Determination (34 CFR § 668.241)

The regulations outline a process for the oversight entity to use when determining if a PEP is operating in the best interest of students. These best interest determination indicators ensure PEPs are operating and will continue to operate in a student's best interest.

After two years, the oversight entity must promptly perform a best interest determination by assessing all PEPs using the requirements in 34 CFR § 668.241(a). The results of this best interest determination must be provided to the Department.

An oversight entity makes the best interest determination through a feedback process that considers input from relevant stakeholders in light of the totality of the circumstances. It can, but is not required to, include feedback from an advisory committee.

Under 34 CFR § 668.241(a)(1), the best interest of students' determination **must include** information about the following:

- **Instructors.** Whether the experience, credentials, and rates of turnover or departure of instructors for a PEP are substantially similar to other programs at the institution, accounting for the unique geographic and other constraints of PEPs.
- **Transferability of credits.** Whether the transferability of credits for courses available to confined or incarcerated individuals and the applicability of such credits toward related degree or certificate programs is substantially similar to those at other similar programs at the institution, accounting for the unique geographic and other constraints of PEPs.
- **Academic and career advising.** Whether the PEP's offering of relevant academic and career advising services to participating confined or incarcerated individuals while they are confined or incarcerated, in advance of reentry, and upon release, is substantially similar to offerings to a student who is not a confined or incarcerated individual and who is enrolled in, and may be preparing to transfer from, the same institution, accounting for the unique geographic and other constraints of PEPs.
- **Ability of students to transfer credits to any location of the institution.** Whether the institution ensures that all formerly incarcerated students 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, barring exceptional circumstances surrounding the student's conviction.

Under 34 CFR § 668.241(a)(2), the "best interest of students" determination **may** also include information about the following:

- **Rates of recidivism.** Whether the rates of recidivism, which do not include any recidivism by the student after a reasonable number of years of release and which only include new felony convictions as defined by United States Sentencing Guideline § 4A1.1(a) as "each sentence of imprisonment exceeding one year and one month," meet thresholds set by the oversight entity.
- **Rates of completion.** Whether the rates of completion reported by the Department, which do not include any students who were transferred across facilities and which account for the status of part-time students, meet thresholds set by the oversight entity with input from relevant stakeholders.
- **Rates of continuing education post-release.** The rate of confined or incarcerated individuals who continued their education post-release and whether or not the rate meets the thresholds established by the oversight entity.
- **Job placement rates.** Whether job placement rates in the relevant field for such individuals meet any applicable standards required by the accrediting agency of the institution or program or a State in which the institution is authorized.
- **Earnings.** The post-release earnings for such individuals, which could include measuring such earnings against a threshold established by the oversight entity.
- **Other indicators.** The determination may include other indicators pertinent to program success as determined by the oversight entity.

An oversight entity should document the factors that it uses to determine whether a program is being offered in a student's best interest, and that each of the required factors was considered. Under 34 CFR § 668.241(e), the school must submit the oversight entity's documentation of the best interest determination to the Department during the title IV recertification process.

If an oversight entity does not find the eligible PEP to be in the best interest of students, the PEP will become a title IV ineligible program. Confined or incarcerated individuals enrolled in the ineligible program may no longer receive Pell Grant funds for any payment period that begins following that determination. The oversight entity must allow for postsecondary institutions with ineligible programs to reapply within a reasonable time frame. A program that is determined to be operating in the best interest of students following a reapplication to the oversight entity becomes title IV-eligible for the payment period in which the determination was made.

Institutions must maintain documentation of the best interest determination methodology used by the oversight entity for as long as the program is active or, if the program is discontinued, for three years following the date of discontinuance under 34 CFR § 668.241(f).

The Department's recertification evaluation for the institution provides an opportunity to evaluate whether the oversight entity has determined whether the program continues to be offered in the "best interest of students" and whether the program continues to meet all of the Department's requirements for PEPs. Therefore, after the best interest determination that occurs

during the initial two-year period, subsequent assessments are conducted not less than 120 calendar days prior to the expiration of the institution's Program Participation Agreement (PPA) under 34 CFR § 668.241(e).

Additional details about the best interest determination process will be provided in future guidance.

Prison Education Program Approval Process

Preparing to seek eligibility for a PEP

An institution seeking to make a PEP eligible for title IV aid for the first time should take several steps:

1. Seek approval from the partner correctional facility and oversight entity to offer a PEP program at the facility;
2. Work with its accrediting agency to evaluate and approve the program, if it is the first program at the first two locations where the institution proposes to offer program in a correctional facility;
3. Gather documentation of approvals by the oversight entity and the accrediting agency, along with the other documentation described below; and
4. Submit an application to the Department through the Application for Approval to Participate in the Federal Student Aid Programs (E-App). The E-App must be used to submit an application to FSA's School Participation Division (SPD).

Seeking approval for the first PEP at the first two additional locations

An institution must submit specific items to the Department to request approval of the first PEP offered at each of the institution's first two additional locations at correctional facilities. As a reminder, the correctional facility with which the institution partners is considered an additional location, even if a student receives instruction primarily through distance education or correspondence courses at that location.

In spring 2023, the Department intends to publish a Prison Education Program Approval Form to assist institutions with the PEP Application process. The form will include required information that must be completed and submitted with the E-App.

The institution must be prepared to provide the following information on the PEP Approval Form:

- The name of the educational program.
- A description of the program, including the educational credential offered (degree level or certificate) and the field of study.
- Name and address of correctional facility to be reported as an additional location.

The institution must be prepared to confirm the following on the PEP Approval Form:

- That the credits in the program can transfer to another eligible public/nonprofit institution.
- That the program meets licensure requirements (if applicable).
- That it will not enroll an incarcerated individual into a PEP if there is a prohibition on the individual qualifying for professional licensure or employment based on the individual's conviction (if applicable).
- That no adverse actions have been taken against the institution by its accreditor or state approval agency in the last five years, and accrediting agencies have not initiated adverse actions.

The institution must be prepared to provide:

- Accrediting agency approval of the PEP.
- Accrediting agency approval of the additional location where the PEP is located.
- Oversight entity (correctional agency) approval. The oversight entity's plans to assess each of the required items under "best interest determination" as outlined in 34 CFR § 668.241(a)(1). Note that this is not that actual assessment, just the steps that the oversight entity plans to take to be ready to evaluate the required items in two years.
- Types of services offered to admitted students, including orientation, tutoring, and academic and reentry counseling.
- Affirmative acknowledgement that the Department can limit or terminate approval of an institution to provide a PEP, as described in 34 CFR § 668.240.
- Assurance that the institution will submit all required reports to the Secretary as described in 34 CFR § 668.239.
- Documentation that the institution has entered into an agreement with the oversight entity to obtain data about transfer and release dates of incarcerated individuals, which must be reported to the Department.

- A summary of how the oversight entity initially approved the PEP. The summary must include the intended methodology, including thresholds, benchmarks, standards, metrics, data, and other information and how the oversight entity plans to collect the information required by 34 CFR § 668.238(b)(4).
- Any other documentation related to the PEP that may be requested by the School Participation Division during the application process.

Requirements for PEPs after the approval of the first PEP at the first two additional locations

If the postsecondary institution seeks title IV eligibility for a second or subsequent PEP at the same approved correctional facility, it must ensure that it does not exceed the enrollment limitations under [34 CFR § 600.7](#) (discussed further below), and it must comply with the additional location and other reporting requirements under [34 CFR § 600.21](#).

For these programs, the postsecondary institution must provide the following information to the Department via the E-App no later than 10 days after the program has begun (34 CFR § 668.238(c)):

- Documentation from the institution's accrediting agency noting that the institution: (1) complies with 34 CFR § 668.236(a)(6); (2) was not subject to any final accrediting action that is an adverse action by the institution's accrediting agency or association in the last five years; and (3) is not subject to any current initiated adverse actions.
- Assurance or other documentation confirming that the institution was not subject to any action by the State to revoke a license or other authority to operate in the last five years.
- Transfer and release data agreement with the oversight entity.

If the institution is offering its first PEP at a third or subsequent additional location at a correctional facility, it must report all the information described above to the Department **and must also report the new correctional facility as an additional location**. This requirement applies to all locations where an institution offers a PEP, regardless of whether the program only needs to be reported under 34 CFR § 600.21(a).

Limitation or termination of approval (34 CFR § 668.240)

The Department may limit or terminate approval of an eligible PEP if it determines that the institution violated any terms of the PEP regulations or if the information that the institution submitted to the Department, accrediting agency, State agency, or oversight entity as a basis for approval was materially inaccurate. If the Department takes such an action, the institution will be required to submit a teach-out plan and, if practicable, a teach-out agreement(s) (as defined in 34 CFR § 600.2) to its accrediting agency as soon as possible following the date the action is taken.

Institutional Eligibility Provisions Regarding Incarcerated Students

Limitations on enrollment of confined or incarcerated individuals (34 CFR § 600.7)

- **Incarcerated student enrollment limit.** For Title IV purposes, a postsecondary institution does not qualify as an eligible institution if, during the most recently completed award year, more than 25 percent of the institution's regular enrolled students were incarcerated. When counting regular enrolled students, the regulations require that an institution count each student without regard to full-time or part-time status (i.e., "head count" rather than "full-time equivalent"). An institution must count a regular student once regardless of the number of times the student enrolls during an award year. An institution determines the number of regular students who enrolled in the institution during the relevant award year by: (1) calculating the number of regular students who enrolled during that award year; and (2) excluding the number of such students who enrolled but subsequently withdrew or were expelled from the institution and were entitled to receive a 100 percent refund of their tuition and fees less any administrative fee that the institution is permitted to keep under its fair and equitable refund policy.
- **Waiver exception request process.** Upon application, the Department may waive this enrollment limitation for a public or nonprofit institution that provides four-year or two-year educational programs for which it awards a bachelor's degree, an associate degree or a postsecondary diploma and has continuously provided an eligible PEP approved by the Department under the new 34 CFR part 668, subpart P for at least two years. If an institution offers a PEP that is less than two years in length and/or does not lead to a degree, then confined or incarcerated individuals enrolled in the program must have a completion rate of 50 percent or greater for the Department to consider a waiver. While the Department will consider each waiver request on a case-by-case basis, in general, a waiver will not be granted for any programs that are not compliant with 34 CFR part 668, subpart P, or if the institution is not administratively capable under [34 CFR § 668.16](#) or financially responsible under [34 CFR part 668, subpart L](#). At each recertification, defined under § 668.13, the Department will review whether the postsecondary institution is eligible to maintain its waiver. Under 34 CFR § 600.7(c)(5) the Department may limit or terminate the waiver if we determine that the postsecondary institution no longer meets the requirements for the waiver.

- **Waiver limitations.** For the first five years after a waiver is granted, in general, no more than 50 percent of the institution's regular enrolled students may be incarcerated. The cap may be raised to 75 percent if the Department grants an additional waiver after the initial five-year period in which the PEP has operated successfully. Waiver determination letters will specify what percentage of an institution's student enrollment may be incarcerated.
- **Special exemption for public institutions chartered for the explicit purpose of educating incarcerated students.** Institutions that are public institutions explicitly chartered for the purpose of educating incarcerated students, as determined by the Department, in which all students enrolled in that institution's PEP are located in the chartering State, may request to have up to 100 percent of the institution's regular enrolled students be incarcerated.
- **Transition process for institutions granted an incarcerated student waiver prior to July 1, 2023.** Prior to July 1, 2023 (the implementation date for the new regulations), some postsecondary institutions were granted a waiver to exceed 25 percent enrollment of confined or incarcerated individuals. Institutions that received such a waiver were permitted to enroll up to 100 percent confined or incarcerated individuals.

Although such institutions are not required to reapply for a waiver under the new provisions, the Department will limit the growth of incarcerated student enrollment at those institutions to ensure consistent program quality and adequate oversight. Beginning on July 1, 2023, enrollment of incarcerated individuals in any such institution will be limited to 50 percent for the first five years until July 1, 2028, and the cap will be raised to 75 percent if the institution is granted an additional waiver after the initial five-year period. Under 34 CFR § 600.7(c)(5) the Department may limit or terminate the waiver if we determine that the postsecondary institution no longer meets the requirements for the waiver.

Other Student Eligibility Requirements

- **Calculation of a Federal Pell Grant and credit balance issues (34 CFR § 690.62).** For a confined or incarcerated individual enrolled in an eligible PEP, a Federal Pell Grant cannot exceed the cost of attendance (as defined in section 472 of the HEA) at the institution the student attends. If an institution determines that a student's Federal Pell Grant exceeds the cost of attendance for that year, the institution must reduce the amount of the Federal Pell Grant until the Federal Pell Grant does not exceed the cost of attendance and does not result in a Title IV credit balance under 34 CFR § 668.164(h). If a confined or incarcerated student's Pell Grant, combined with any other financial assistance, exceeds the student's cost of attendance, the financial assistance other than the Pell Grant must be reduced by the amount that the total financial assistance exceeds the student's cost of attendance. If the student's other financial assistance cannot be reduced (there is a statutory prohibition against reducing Veterans Administration educational grants, for example), the student's Pell Grant must be reduced by the amount that the student's total financial assistance exceeds the student's cost of attendance.
- **FAFSA® form for confined or incarcerated individuals.** Confined or incarcerated individuals must complete the Free Application for Federal Student Aid (FAFSA®) to determine their eligibility for a Pell Grant. They may do so using the online application, or they may mail the FAFSA designated for incarcerated students to Federal Student Aid for processing. The 2023-2024 Incarcerated Student FAFSA is available here: [English version](#); [Spanish version](#). The FAFSA designated for confined or incarcerated individuals is identical to the online FAFSA and the "paper" FAFSA **except** the FAFSA designated for incarcerated students states as such and provides a separate mailing address to send the application for processing. This separate mailing address ensures we account for the special circumstances of incarcerated students and the security requirements of correctional facilities that may impact paper, printing, mailing, and writing tools.
- **Verification of confined or incarcerated individuals.** For the 2023-2024 award year, a confined or incarcerated student, as indicated through the new incarcerated applicant flag in the Central Processing System (CPS), will only be required to verify their identity and statement of educational purpose. This means incarcerated students selected for Verification Tracking Group V4 and V5, as described in [DCL-GEN-22-09](#), will only be required to verify their identity and submit a statement of educational purpose. In addition, institutions are not required to verify a confined or incarcerated student selected under Verification Tracking Flag "V1." For more information, please reference [DCL-GEN-22-09](#).
- **Correcting incorrect applicant flag.** A financial aid administrator can submit a correction using FAA Access to CPS Online if the incarcerated applicant flag has been set incorrectly on the student's 2023-2024 FAFSA application.

What's Next for Prison Education Programs?

The Department will continue to provide guidance over the next several months on the following topics:

- **Fresh Start initiative.** The Department [announced](#) [🔗](#) on April 6, 2022, that it would eliminate the negative effects of default for borrowers who defaulted on their Federal student loans prior to the pandemic payment pause. Among other features, this initiative, called "Fresh Start," will enable borrowers with defaulted federal student loans (including confined or incarcerated students) to regain Title IV HEA federal student aid eligibility, including Federal Pell Grants. More information about this initiative can be found on [StudentAid.gov](#) [🔗](#).
- **Additional PEP guidance.** The Department will release additional guidance and fact sheets about PEPs, including with respect to accrediting agencies, correctional facilities, postsecondary institutions, and other stakeholders.

- **PEP approval Form.** The Department plans to release a PEP approval form in the spring of 2023. This form will provide instructions and supplemental information to assist postsecondary institutions with the application process for PEPs.
- **Annual evaluation report on Pell Grants for incarcerated students.** The Department will provide additional information on its required annual evaluation report, including reporting requirements for institutions offering eligible PEPs.

Contact

If you have questions about these provisions or the PEP approval process, please email PEP@ed.gov or visit the [Prison Education Programs page](#) in the [Knowledge Center](#).

Sincerely,

Annmarie Weisman
Deputy Assistant Secretary for Policy, Planning, and Innovation
Office of Postsecondary Education