

Appendix A

Pell Formula Summaries

Formula 1 Summary

Standard-term, credit-hour programs, including subscription-based programs, with 30 weeks of instructional time (or waiver applies). For a program with a traditional academic calendar, the program:

- must have an academic calendar that consists, in the fall through spring, of two semesters or trimesters, or three quarters (note that summer may not be a standard term);
- must have at least 30 weeks of instructional time in fall through spring terms;
- must not have overlapping terms; and
- must measure progress in credit hours and must define full-time enrollment for each term in the award year as at least 12 credit hours.

Other programs offered in standard terms may use Formula 1 if they start the terms for different cohorts of students on a periodic basis (for example, monthly). These programs:

- must have an academic calendar that consists exclusively of semesters, trimesters, or quarters;
- must have at least 30 weeks of instructional time in any two semesters or trimesters or any three quarters;
- must start the terms for different cohorts of students on a periodic basis (for example, monthly);
- must not allow students to be enrolled in overlapping terms and the students must stay with the cohort in which they start unless they withdraw from a term (or skip a term) and re-enroll in a subsequent term; and
- must define full-time enrollment for each term in the award year as at least 12 credit hours and must measure progress in credit hours.

Step 1: Determine Enrollment Intensity

Enrolled credits divided by full-time minimum credits.

Step 2: Calculate Pell COA

Full-time, full academic year costs.

Step 3: Determine Annual Award

If the student's enrollment intensity is full time, the annual award is the Scheduled Award. If the student's enrollment intensity is less than 100%, the annual award is the Scheduled Award multiplied by the enrollment intensity percentage.

Step 4: Determine Payment Periods

Payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

Annual award ÷ 2 for programs with semesters or trimesters or 3 for programs with quarters

OR

For alternate calculation:

Annual award ÷ Number of terms in the award year

Formula 2 Summary

Standard-term, credit-hour programs, including subscription-based programs, with fewer than 30 weeks of instructional time, and waiver does not apply.

- Enrollment for at least 12 credit hours each term required for full-time status
- Program terms don't overlap
- Academic calendar includes two semesters/trimesters (fall and spring) or three quarters (fall, winter, and spring)
- Fall through spring terms are less than 30 weeks of instructional time

Step 1: Determine Enrollment Intensity

Enrolled credits divided by full-time minimum credits.

Step 2: Calculate Pell COA

Full-time, full academic year costs.

Cost for fall through spring terms prorated. If fall through spring terms provide the same number of credit hours as are in the academic year definition, prorated COA is the same as non-prorated COA.

Step 3: Determine Annual Award

If the student's enrollment intensity is full time, the annual award is the Scheduled Award. If the student's enrollment intensity is less than 100%, the annual award is the Scheduled Award multiplied by the enrollment intensity percentage.

Step 4: Determine Payment Periods

Payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

$[(\text{Annual award} \times \text{Weeks of instructional time in fall through spring terms}) \div \text{Weeks of instructional time in program's academic year definition}] \div 2$ (if semesters or trimesters) OR 3 (if quarters)

OR

For alternate calculation:

$\text{Annual award} \div \text{Number of terms in the award year}$

Formula 3 Summary

Any term-based, credit-hour program, including subscription-based programs; may include programs that qualify for Formulas 1 and 2.

Step 1: Determine Enrollment Intensity

Enrolled credits divided by full-time minimum credits.

Step 2: Calculate Pell COA

Full-time, full academic year costs.

Cost for program or period not equal to academic year prorated. Two fractions are compared:

Hours in program's definition of academic year ÷ Hours to which the costs apply

Weeks of instructional time in program's definition of academic year ÷ Weeks of instructional time in the enrollment period to which the costs apply

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

Step 3: Determine Annual Award

If the student's enrollment intensity is full time, the annual award is the Scheduled Award. If the student's enrollment intensity is less than 100%, the annual award is the Scheduled Award multiplied by the enrollment intensity percentage.

Step 4: Determine Payment Periods

Payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

[(Annual award x Weeks of instructional time in the term) ÷ Weeks of instructional time in the program's academic year definition]

Note: A single disbursement can't exceed 50% of the annual award.

Formula 4 Summary

Clock-hour programs and credit-hour programs without terms, residential portion of non-term correspondence programs.

Step 1: Determine Enrollment Intensity

At least half-time or less-than-half-time.

Step 2: Calculate Pell COA

Full-time, full academic year costs.

Cost for program or period not equal to academic year prorated. Two fractions compared:

Hours in program's definition of academic year ÷ Hours to which the costs apply

Weeks of instructional time in program's definition of academic year ÷ Weeks of instructional time in the enrollment period to which the costs apply

The entire cost is multiplied by the lesser of the two fractions to determine Pell COA.

Step 3: Determine Annual Award

Always equal to Scheduled Award. Does not mean students are always considered full-time.

Step 4: Determine Payment Periods

Length of payment period measured in credit or clock hours and weeks of instructional time. Minimum of two equal payment periods required for programs shorter than an academic year, or two equal payment periods in each full academic year (or final portion longer than half an academic year) for programs longer than or equal to an academic year.

Step 5: Calculate Payment for a Payment Period

Annual award multiplied by the lesser of:

The number of credit or clock hours in the payment period ÷ The number of credit or clock hours in the program's academic year

OR

The number of weeks of instructional time in the payment period ÷ The number of weeks of instructional time in the program's academic year

Note: A single disbursement can't exceed 50% of the annual award.

Formula 5A Summary

Correspondence programs non-term correspondence component. For residential portion, use Formula 4 to calculate payment periods and amounts. The schedule for the submission of lessons must reflect a workload of at least 12 hours of preparation per week of instructional time.

Step 1: Determine Enrollment Intensity

Enrollment intensity is never more than 50%.

Step 2: Calculate Pell COA

Full-time, full academic year costs (for applicable components).

Cost for program or enrollment period not equal to academic year prorated according to the following formula for tuition and fees:

Costs × (Credit hours in program's definition of academic year ÷ Credit hours to which costs apply)

Step 3: Determine Annual Award

Annual award is the Scheduled Award multiplied by enrollment intensity, capped at 50%.

Step 4: Determine Payment Periods

Length of payment period measured in credit hours.

The first payment period is the period of time in which the student completes the lesser of the first half of the academic year or the first half of the program. (First payment can be made only after the student has completed 25% of the lessons or otherwise completed 25% of the work scheduled, whichever comes last.)

The second payment period is the period of time in which the student completes the lesser of the second half of the academic year or the second half of the program. (Second payment may be made only after the student has submitted 75% of the lessons or otherwise completed 75% of the work scheduled, whichever comes last.)

Step 5: Calculate Payment for a Payment Period

Annual award is multiplied by the lesser of:

Number of credit hours in the payment period ÷ Number of credit hours in the program's academic year

OR

Weeks of instructional time in the payment period ÷ Weeks of instructional time in the program's academic year

Note: A single disbursement can't exceed 50% of the annual award.

Formula 5B Summary

Programs of study by correspondence, term correspondence component. During each term, the written schedule for the submission of lessons must reflect a workload of at least 30 hours of preparation per semester hour or at least 20 hours of preparation per quarter hour.

Step 1: Determine Enrollment Intensity

Enrollment intensity is never more than 50%.

Step 2: Calculate Pell COA

Full-time, full academic year costs (for applicable components).

Cost for program or enrollment period not equal to academic year prorated according to the following formula for tuition and fees:

$\text{Cost} \times (\text{Credit hours in program's definition of academic year} \div \text{Credit hours to which costs apply})$

Step 3: Determine Annual Award

Annual award is the Scheduled Award multiplied by enrollment intensity, capped at 50%.

Step 4: Determine Payment Periods

Length of payment period is the academic term.

Step 5: Calculate Payment for a Payment Period

$(\text{Annual award} \times \text{Weeks of instructional time in the term}) \div \text{Weeks of instructional time in the program's academic year definition}$

When there is a residential portion in a term-based correspondence program, Formula 3 is used to calculate the student's payment for a payment period for the residential portion.

Note: A single disbursement cannot exceed 50% of the annual award.