

GENERAL SESSION #B015

Calculating a Federal Pell Grant

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U.S. Department of Education

2023 FSA Training Conference for Financial Aid Professionals

AGENDA

1. 2023-24 to 2024-25 changes
2. Scheduled vs Annual Award
3. Scheduled Award Determination
4. Enrollment Intensity
5. Annual Award Determination

2023-24 TO 2024-25 CHANGES

[illegible]

- No more Pell Payment and Disbursement Schedules
- FSA will publish Max/Min Pell values annually

CHANGES FROM 2023-24 TO 2024-25

SAI AND PELL CHANGES

- Student Aid Index (SAI) replaces Expected Family Contribution (EFC)
- New Max/Minimum (Min) Pell Indicators
- All Scheduled Awards will be rounded to the nearest \$5 increment, with low Cost of Attendance (COA) exceptions
- Half-time enrollment not required for Year-round Pell
- Annual Award calculated using new Enrollment Intensity percent

CHANGES FROM 2023-24 TO 2024-25

IRAQ & AFGHANISTAN SERVICE GRANT (IASG) AND CHILDREN OF FALLEN HEROES (CFH)

- Program eligibility changes
- Student self-identification
- Department of Defense Match retired
- FAA eligibility certification required
- IASG/CFH eligible for maximum Pell
- Title IV aid packaged on SAI

The screenshot shows the FAFSA 2024-25 application interface for Student Raya Tran. The progress bar indicates the user is on step 2, 'Demographics', with steps 1 (Personal Circumstances), 3 (Financials), 4 (Colleges), and 5 (Signature) remaining. The current question is 'Parent Killed in Line of Duty', which asks if the student's parent or guardian was killed in the line of duty while (1) serving on active duty as a member of the Armed forces on or after September 11, 2001 or (2) performing official duties as a public safety officer. A note specifies that public safety officers include law enforcement officers, firefighters, and emergency service workers. The 'No' option is selected. Navigation buttons for 'Previous' and 'Continue' are at the bottom.

FAFSA[®] FORM 2024-25 Student Raya Tran Save FAFSA Menu

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

Parent Killed in Line of Duty

Was the student's parent or guardian killed in the line of duty while (1) serving on active duty as a member of the Armed forces on or after September 11, 2001 or (2) performing official duties as a public safety officer?

Public safety officers include law enforcement officers, firefighters, and emergency service workers.

☐ Yes ☒ No

Previous Continue

SCHEDULED VS ANNUAL AWARD



SCHEDULED VS ANNUAL AWARD

SCHEDULED AWARD

- Maximum amount a student may receive attending full-time
- Used determine Pell eligibility used (annual and lifetime)

ANNUAL AWARD

- Scheduled Award adjusted for enrollment
- Annual Award = Scheduled Award for full-time students
- Up to 150% of the Scheduled Award if student qualifies for Year-round Pell

SCHEDULED AWARD DETERMINATION



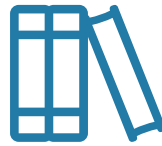
SCHEDULED AWARD DETERMINATION

Processed ISIR data streamlines determining the Scheduled Award



SAI

- Official calculated SAI



PELL ELIG = YES

- Sets Pell Eligibility flag
- Verifies SAI within Pell-eligible range



INDICATORS SET

- Max Pell indicator
- Min Pell Indicator
- IASG Indicator
- CFH Indicator

SCHEDULED AWARD DETERMINATION

SCHEDULED AWARD → THREE WAYS

1

Maximum Pell

- Max Pell Indicator
- $SAI \leq 0$
- IASG Indicator
- CFH Indicator

2

Minimum Pell

- Minimum Pell Indicator

3

Calculated Scheduled Award (CSA)

- Maximum Pell *minus* SAI

MAX PELL – ISIR INDICATORS



1

Max Pell

- Max Pell Indicator
- $SAI \leq 0$
- IASG Indicator
- CFH Indicator

SCHEDULED AWARD = PUBLISHED MAX PELL GRANT

MIN PELL – ISIR INDICATORS



2

Minimum Pell

- Minimum Pell Indicator

SCHEDULED AWARD = PUBLISHED MIN PELL GRANT

SCHEDULED AWARD EXAMPLES

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

MAX PELL

- SAI = -1500
- COA = \$28,479
- Pell Elig Flag = Yes
- Max Pell Indicator = 1
- Is COA > Max Pell = Yes
- Scheduled Award = \$7,850

COA LIMITED

- SAI = 0
- COA = \$7,554.50
- Pell Elig Flag = Yes
- Max Pell Indicator = blank
- Is COA > Max Pell = **No**
- Scheduled Award = \$7,554

SCHEDULED AWARD EXAMPLES

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

CFH ELIGIBLE

- SAI = 71,439
- COA = \$35,000
- Pell Elig Flag = Yes
- CFH Indicator = 2
- Is COA > Max Pell = Yes
- Scheduled Award = \$7,850

MINIMUM PELL

- SAI = 7,513
- COA = \$15,746
- Pell Elig Flag = Yes
- Min Pell Indicator = 5
- Is COA > Min Pell = Yes
- Scheduled Award = \$785



CALCULATED SCHEDULED AWARD (CSA)



3

Calculated Scheduled Award

- Max Pell *minus* SAI

CALCULATED SCHEDULED AWARD = MAX PELL – SAI
(rounded to the nearest \$5)

ROUNDING RULES

If the Calculated Scheduled Award (CSA) ends in...

1 or 2

round down to 0



3 or 4

round up to 5



6 or 7

round down to 5



8 or 9

round up to 0



0 or 5

No rounding
necessary



SCHEDULED AWARD EXAMPLES

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

AVAILABLE DATA

- SAI = 2,096
- COA = \$5,703.75
- Pell Elig Flag= Yes

MAX PELL – SAI = CSA

- $\$7,850 - 2,096 = \$5,754$
- CSA = \$5,755
- $\text{COA} < \text{CSA}$
- Scheduled Award = COA
\$5,703 with cents truncated

SCHEDULED AWARD EXAMPLES

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

AVAILABLE DATA

- SAI = 479
- COA = \$37,123
- Pell Elig Flag = blank

SCHEDULED AWARD

- No Scheduled Award is calculated because student does not have a Pell Eligibility flag = Yes

ENROLLMENT INTENSITY



ENROLLMENT INTENSITY – DEFINITIONS

- **Scheduled Award** – The maximum amount a student can receive during the award year if the student attends full-time for a full academic year.
- **Annual Award** – The Scheduled Award adjusted for enrollment intensity.
- **Enrollment Intensity** – The percentage of full-time enrollment at which a student is enrolled, rounded to the nearest whole percent.
- **Pell Formulas** – Formulas used to determine a student's Pell Grant payment for a payment period. Formulas consider the structure of the academic program to determine disbursement amounts, based on a student's scheduled award.

ENROLLMENT INTENSITY – EXAMPLES

Standard Term Example

Credit Hours	Enrollment Category (Old)	Enrollment Intensity (New)
12 (or more)	Full-Time	100%
11	Three-Quarter Time	92%
10		83%
9		75%
8	Half-Time	67%
7		58%
6		50%
5	Less-than-Half-Time	42%
4		33%
3		25%
2		17%
1		8%

Non-Standard Term Example

Credit Hours	Enrollment Category (Old)	Enrollment Intensity (New)
10 (or more)	Full-Time	100%
9	Three-Quarter Time	90%
8		80%
7	Half-Time	70%
6		60%
5		50%
4	Less-than-Half-Time	40%
3		30%
2		20%
1		10%

ANNUAL AWARD DETERMINATION



PELL FORMULA 1 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT INFO

- Scheduled Pell = Max Pell (\$7,850)
- Standard 2-term academic calendar (Fall and Spring)
- Full-time Enrollment = 12 Credit Hours

Semester Disbursement Schedule (Full-time Enrollment)

	Fall	Spring
Credit Hours	12	15
Annual Pell Award	\$3,925	\$3,925

PELL FORMULA 1 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT INFO

- Scheduled Pell = Max Pell (\$7,850)
- Standard 2-term academic calendar (Fall and Spring)
- Full-time Enrollment = 12 Credit Hours

Semester Disbursement Schedule (Part-time Enrollment)

	Fall	Spring
Credit Hours	10	11
Enrollment Intensity	$10 \div 12 = 0.833 \rightarrow 83\%$	$11 \div 12 = 0.917 \rightarrow 92\%$
Annual Pell Calculation	$(\$7,850 * 83\%) \div 2$	$(\$7,850 * 92\%) \div 2$
Annual Pell Award	\$3,258	\$3,611

PELL FORMULA 1 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

YEAR-ROUND PELL – SUMMER TRAILER

Semester Disbursement Schedule (Part-time Enrollment)			
	Fall	Spring	Summer
Credit Hours	10	11	5
Enrollment Intensity	$10 \div 12 = 0.833 \rightarrow 83\%$	$11 \div 12 = 0.917 \rightarrow 92\%$	$5 \div 12 = .417 \rightarrow 42\%$
Annual Pell Calc	$(\$7,850 * 83\%) \div 2$	$(\$7,850 * 92\%) \div 2$	$(\$7,850 * 42\%) \div 2$
Annual Pell Award	\$3,258	\$3,611	\$1,649

PELL FORMULA 2 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT INFO

- SAI: 1,114
- Scheduled Award: $\$7,850 - 1,114 = \$6,736 \rightarrow \$6,735$ (rounded to the nearest \$5)
- Weeks in the AY: 29
- Annual Award: $(\$6,735 * 29)/30 = \$6,511$

Quarter Disbursement Schedule (Full-time Enrollment)

	Fall (10 weeks)	Winter (9 weeks)	Spring (10 weeks)
Credit Hours	12	12	12
Annual Pell Award	\$2,171	\$2,170	\$2,170

PELL FORMULA 2 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT INFO

- SAI: 1,114
- Scheduled Award: $\$7,850 - 1,114 = \$6,736 \rightarrow \$6,735$ (rounded to the nearest \$5)
- Weeks in the AY: 29
- Annual Award: $(\$6,735 * 29) \div 30 = \$6,511$

Quarter Disbursement Schedule (Part-time Enrollment)

	Fall (10 weeks)	Winter (9 weeks)	Spring (10 weeks)
Credit Hours	8	6	11
Enrollment Intensity	$8 \div 12 = 0.667 \rightarrow 67\%$	$6 \div 12 = 0.500 \rightarrow 50\%$	$11 \div 12 = 0.917 \rightarrow 92\%$
Annual Pell Calculation	$(\$6,511 * 67\%) \div 3$	$(\$6,511 * 50\%) \div 3$	$(\$6,511 * 92\%) \div 3$
Annual Pell Award	\$1,454	\$1,085	\$1,997

PELL FORMULA 3 CASE STUDY

PROGRAM INFO – NONSTANDARD TERMS OF UNEQUAL LENGTH

College A has a 10-week nonstandard term between two 12-week nonstandard terms. The terms do not overlap. The academic year for the program is defined as 34 weeks of instructional time and 24 semester hours. Courses are offered in whole credits. College A must use Formula 3 to calculate Pell Grant payments for students in this program.

Because the program has nonstandard terms, College A must determine the number of credit hours required for full-time enrollment in each term.

Full-time Enrollment Calculation

	Term 1 (12 weeks)	Term 2 (10 weeks)	Term 3 (12 weeks)
Full-time Calculation	(12 weeks * 24 credits) ÷34 weeks	(10 weeks * 24 credits) ÷34 weeks	(12 weeks * 24 credits) ÷34 weeks
Full-time Credits	8.47 → round up to 9	7.06 → round up to 8	8.47 → round up to 9

PELL FORMULA 3 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT/PROGRAM INFO

- SAI: 6,001
- Scheduled Award: $\$7,850 - 6,001 = \$1,849 \rightarrow \$1,850$ (rounded to the nearest \$5)
- Weeks in the AY: 34
- Full-Time: 9 credits (Terms 1 and 3); 8 credits (Term 2)

Disbursement Schedule (Full-time Enrollment)

	Term 1 (12 weeks)	Term 2 (10 weeks)	Term 3 (12 weeks)
Credit Hours	9	9	9
Calculation	$(\$1,850 * 12) \div 34$	$(\$1,850 * 10) \div 34$	$(\$1,850 * 12) \div 34$
Annual Pell Award	\$653	\$544	\$653

PELL FORMULA 3 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT/PROGRAM INFO

- SAI: 6,001
- Scheduled Award: $\$7,850 - 6,001 = \$1,849 \rightarrow \$1,850$ (rounded to the nearest \$5)
- Weeks in the AY: 34
- Full-Time: 9 credits (Terms 1 and 3); 8 credits (Term 2)

Disbursement Schedule (Part-time Enrollment)

	Term 1 (12 weeks)	Term 2 (10 weeks)	Term 3 (12 weeks)
Credit Hours	6	6	6
Enrollment Intensity	$6 \div 9 = 0.667 \rightarrow 67\%$	$6 \div 8 = 0.75 \rightarrow 75\%$	$6 \div 9 = 0.667 \rightarrow 67\%$
Calculation	$[(\$1,850 * 12) \div 34] * 67\%$	$[(\$1,850 * 10) \div 34] * 75\%$	$[(\$1,850 * 12) \div 34] * 67\%$
Annual Pell Award	\$438	\$408	\$438

PELL FORMULA 4 CASE STUDY

PROGRAM INFO – CLOCK-HOUR PROGRAM

College B has a program consisting of 900 clock-hours and 22 weeks of instructional time in length. The academic year is defined based on regulatory minimums: 900 clock-hours and 26 weeks of instructional time. College B has established two payment periods of 450 clock-hours and 11 weeks of instructional time.

To determine the disbursement for the payment period, College B must multiply a student's Scheduled Pell Award by the lesser of:

- the fraction comparing the hours in the payment period to the hours in the academic year ($450/900$), or
- the fraction comparing the weeks in the payment period to the weeks in the academic year ($11/26$).

PELL FORMULA 4 CASE STUDY

Pell examples use the fictitious published Max Pell = \$7,850, Min Pell = \$785

STUDENT INFO

- SAI: -1,500
- Scheduled Award: \$7,850 (Max Pell)

FRACTION COMPARISON

- Clock-hours: $(450 \text{ clock hours} \div 900 \text{ clock hours}) = 50\%$
- Weeks of Instruction $(11 \text{ weeks} \div 26 \text{ weeks}) = 42\%$

PELL CALCULATION

- **Weeks of Instruction (42%)** < Clock-hours (50%)
- First Disbursement = $\$7,850 * 11/26 = \$3,321$

ADDITIONAL RESOURCES

- **2024-25 Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide**
 - <https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/2022-11-21/2024-25-draft-student-aid-index-sai-and-pell-grant-eligibility-guide>
- **DCL - FAFSA Simplification Act Changes for Implementation in 2024-25**
 - <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2023-08-04/fafsa-simplification-act-changes-implementation-2024-25>
- **Publication of the 2024–25 Draft FAFSA® Specifications Guide**
 - <https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/2023-05-31/draft-2024-25-fafsa-specifications-guide-october-2023-update>