Clock Hour/Technical Schools Prep for 2024-25

Content provided by:
Daniel T. Barkowitz, University of Miami
Dana Kelly, NASFAA
Dr. Jeanne Schurman – Hillsborough Community College
Members of the Association recognize that one of the purposes of the Association is to provide training and informational services to its members through training conferences and periodic written material. While the Association shall utilize its best efforts to provide its members with the most current information available, there can be no assurances or warranty that its interpretation of any rule, regulation or statute will be in conformance with any present or future interpretation of such rule, regulation or statute by any appropriate governmental authority. Accordingly, each member shall hold the Association harmless from any claims, damages, or liability resulting from such member’s use of any information, data, or interpretations as provided to such members by the Association.
OUR AGENDA

- Calculating PELL
  - Max
  - Min
  - SAI

- Calculating SAI

- Calculating the “chances of survival”

- Case Studies
PELL – A tale of “three-ish” steps

• First: MAX PELL – family size, AGI and poverty guidelines (F.A.P.)  
(SAI between -$1500 and $0)

• Second: MIN PELL – SAI greater than Max PELL award may still qualify based on family size, AGI, and poverty guidelines (F.A.P.)

• Third: SAI (Calculated PELL) – Doesn’t qualify for MAX PELL but may qualify for PELL if their calculated SAI is less than the MAX PELL award for the year  
(Max PELL – SAI = Scheduled PELL)

Rules of thumb
• If eligible for MAX Pell, use it
• If not eligible for MAX Pell, but eligible for calculated PELL, use that
• If not eligible for MAX or calculated PELL, use min PELL
• If not eligible for any PELL, “Move it along, nothing more to see here”
• HERE’S WHERE WE ARE!

• Need to start with annual Poverty Guidelines for the tax year being used with the FAFSA (for 2024-25, these would be the 2022 Federal Poverty Guidelines) and family size from FAFSA)

• There are three guidelines:
  • 48 contiguous states,
  • Alaska
  • Hawaii
FIRST QUESTION: HOW MUCH IS PELL?

Three numbers you need to know:

1. How much is Maximum (MAX) Pell?
   • Set by Congress, finalized number for 2024-25?
   • Based on DCL GEN-24-01, for now using the same as last year: $7,395

2. How much is Minimum (MIN) Pell?
   • PELL minimum is always 10% of maximum PELL rounded to the nearest $5
   • 10% of $7,395 is $739.50 and rounded to the nearest $5 is $740

3. The threshold for calculated Pell is no more than 90% of Max Pell.
   • 90% of $7395 is $6655.50
   • Nearest $5 would be $6,655
Rounding Rules (per FSA)

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
What kind of family do you have?
What are the guidelines?

<table>
<thead>
<tr>
<th>Household/Family Size</th>
<th>100%</th>
<th>175%</th>
<th>225%</th>
<th>275%</th>
<th>325%</th>
<th>350%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$13,590</td>
<td>$23,783</td>
<td>$30,577</td>
<td>$37,372</td>
<td>$44,167</td>
<td>$47,565</td>
<td>$54,360</td>
</tr>
<tr>
<td>2</td>
<td>$18,310</td>
<td>$32,043</td>
<td>$41,197</td>
<td>$50,352</td>
<td>$59,507</td>
<td>$64,085</td>
<td>$73,240</td>
</tr>
<tr>
<td>3</td>
<td>$23,030</td>
<td>$40,303</td>
<td>$51,817</td>
<td>$63,332</td>
<td>$74,847</td>
<td>$80,605</td>
<td>$92,120</td>
</tr>
<tr>
<td>4</td>
<td>$27,750</td>
<td>$48,563</td>
<td>$62,437</td>
<td>$76,312</td>
<td>$90,187</td>
<td>$97,125</td>
<td>$111,000</td>
</tr>
<tr>
<td>5</td>
<td>$32,470</td>
<td>$56,823</td>
<td>$73,057</td>
<td>$89,292</td>
<td>$105,527</td>
<td>$113,645</td>
<td>$129,880</td>
</tr>
<tr>
<td>6</td>
<td>$37,190</td>
<td>$65,083</td>
<td>$83,677</td>
<td>$102,272</td>
<td>$120,867</td>
<td>$130,165</td>
<td>$148,760</td>
</tr>
<tr>
<td>7</td>
<td>$41,910</td>
<td>$73,343</td>
<td>$94,297</td>
<td>$115,252</td>
<td>$136,207</td>
<td>$146,685</td>
<td>$167,640</td>
</tr>
<tr>
<td>8</td>
<td>$46,630</td>
<td>$81,603</td>
<td>$104,918</td>
<td>$128,232</td>
<td>$151,547</td>
<td>$163,205</td>
<td>$186,520</td>
</tr>
</tbody>
</table>

Add for each additional person: $4,720 $8,260 $10,620 $12,980 $15,340 $16,520 $18,880

Federal publication of this information can be found here.
### Examples

**Max Pell? Min Pell? Y/N**
- **Dependent student, 4 in the family, parents are married, earns $48,000 AGI, lives in MD.**
- **Same student, but $70,000 AGI**
- **Independent, 1 in family, earns $40,000 AGI, lives in FL**
- **Independent, no spouse, 3 in family, $50,000 AGI, FL**
- **Same student but $90,000 AGI**

---

#### 2022 AGI as a Percentage of Poverty

![Graph showing eligibility for Pell Grants based on AGI as a percentage of poverty.](image)

#### Choose Year
- **Choose State**
  - 48 Contiguous States

#### Per Year

<table>
<thead>
<tr>
<th>Household/Family Size</th>
<th>100%</th>
<th>175%</th>
<th>225%</th>
<th>275%</th>
<th>325%</th>
<th>350%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$13,590</td>
<td>$23,783</td>
<td>$30,577</td>
<td>$37,372</td>
<td>$44,167</td>
<td>$47,565</td>
<td>$54,360</td>
</tr>
<tr>
<td>2</td>
<td>$18,310</td>
<td>$32,043</td>
<td>$41,197</td>
<td>$50,352</td>
<td>$59,507</td>
<td>$64,085</td>
<td>$73,240</td>
</tr>
<tr>
<td>3</td>
<td>$23,030</td>
<td>$40,303</td>
<td>$51,817</td>
<td>$63,332</td>
<td>$74,847</td>
<td>$80,605</td>
<td>$92,120</td>
</tr>
<tr>
<td>4</td>
<td>$27,750</td>
<td>$48,563</td>
<td>$62,437</td>
<td>$76,312</td>
<td>$90,187</td>
<td>$97,125</td>
<td>$111,000</td>
</tr>
<tr>
<td>5</td>
<td>$32,470</td>
<td>$56,823</td>
<td>$73,057</td>
<td>$89,292</td>
<td>$105,527</td>
<td>$113,645</td>
<td>$129,880</td>
</tr>
<tr>
<td>6</td>
<td>$37,190</td>
<td>$65,083</td>
<td>$83,677</td>
<td>$102,272</td>
<td>$120,867</td>
<td>$130,165</td>
<td>$148,760</td>
</tr>
<tr>
<td>7</td>
<td>$41,910</td>
<td>$73,343</td>
<td>$94,297</td>
<td>$115,252</td>
<td>$136,207</td>
<td>$146,685</td>
<td>$167,640</td>
</tr>
<tr>
<td>8</td>
<td>$46,630</td>
<td>$81,603</td>
<td>$104,918</td>
<td>$128,232</td>
<td>$151,547</td>
<td>$163,205</td>
<td>$186,520</td>
</tr>
</tbody>
</table>

**Add for each additional person**
- $4,720
- $8,260
- $10,620
- $12,980
- $15,340
- $16,520
- $18,880
First example

Dependent Student; 4 in the family; parents are married; earned $48,000 AGI

The AGI as a percentage of poverty is less than 175%: The student qualifies for “Max PELL”
The AGI as a percentage of poverty is over 175% but less than 275%. The student qualifies for “Min PELL”. 
Third example

Independent; 1 in family; earns $40,000 AGI

The AGI as a percentage of poverty is over 275%. The student qualifies for Calculated SAI (as long as Maximum PELL – SAI is ≤ 90% of Maximum PELL Grant)

90% of Max PELL = $6,655
Independent student; no spouse; 3 in family; earned $50,000 AGI

The AGI as of a percentage of poverty is more than 175% but less than 225%. Student qualifies for Max PELL.
Fifth Example

Independent student; no spouse; 3 in the family; earned $90,000 AGI

The AGI as a percentage of poverty is more than 350% but less than 400%. Student qualifies for “min PELL” (greater between Min PELL and Min PELL – SAI)
To calculate the PELL, there is no more PELL chart (starting 2024-25)

Instead, you need to know the maximum PELL amount (let’s use $7,395).

Then you need to know the 90% value of the maximum PELL (for $7,395 it would be $6,655)

If the SAI is higher than 90% of the maximum PELL, then no PELL calculated (remember they still can still get max or min PELL)

If the SAI is 90% or lower of max PELL, PELL amount is the max PELL minus the SAI rounded to the nearest $5 increment:

• Example 1: SAI is $7,000. No calculated PELL
• Example 2: SAI is $6,655. PELL is $7,395 – 6,655 = $740
• Example 3: SAI is $6,652. PELL is $7,395 – 6,652 = $743 (rounded to $745)
• Example 4: SAI is $3,008. PELL is $7,395 – 3,008 = $4,387 (rounded to $4,385)
• Example 5: SAI is $0. PELL is $7,395 – 0 = $7,395
• Example 6: SAI is -$1400. PELL is $7,395 – 0 = $7,395. (Assume a negative SAI to be 0 for PELL calc)
Some unintended consequences…meet Mr. and Mrs. Pellionaire

- Family size: 5
- Parent AGI: $77,697
- Residence: FL
- Parent are Married:Filed Jointly
- Calculated SAI is $616,200
- WHAT???? IS THAT A MISTAKE??

Student qualifies for PELL in the amount of $740.

$7395 - $616,200 = -608,805 ($740 is greater than -608,805)
ISIR INDICATORS

1. MAX PELL
   - Max PELL Indicator
   - SAI ≤ 0
   - IASG Indicator
   - CFH Indicator

2. Minimum Pell
   - Minimum PELL Indicator

3. CALCULATED SCHEDULED AWARD
   - Max PELL minus SAI

Scheduled Award = Published Max PELL Grant

Scheduled Award = Published Min Grant

Calculated Scheduled Award = Max PELL – SAI (rounded to the nearest $5 increment)
Find Scheduled PELL Award

Example 1:

Max PELL $7395

SAI: 0

Max PELL – SAI = Scheduled Award

$7395 – 0 = $7395
Example 2:

Max PELL: $7395

SAI: 6655

Max PELL – SAI = Scheduled Award

$7395 – 6655 = $740 (Min PELL)
Example 3:

Max PELL: $7395

SAI: 3008

Max PELL – SAI = Scheduled Award

$7395 – 3008 = $4387 (rounded to the nearest $5 increment) $4385
Find Scheduled PELL Award

Example 4:

Max PELL: $7395

SAI: 6652

Max PELL – SAI = Scheduled Award

$7395 – 6652 = $743 (rounded to the nearest $5 increment) $745
Example 5:

Max PELL: $7395

SAI: -1400 (treat as 0 for PELL)

Max PELL – SAI = Scheduled Award

$7395 – 0 = $7395
<table>
<thead>
<tr>
<th><strong>Example 6:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Max PELL: $7395</td>
</tr>
<tr>
<td>SAI: 7000</td>
</tr>
<tr>
<td>Max PELL – SAI = Scheduled Award</td>
</tr>
<tr>
<td>$7395 – 7000 = $395 = $0*</td>
</tr>
</tbody>
</table>

*(Less than min PELL or 10% of Max PELL)*
How to Calculate Need
EFC vs. SAI

Need using EFC
COA: Cost of Attendance
EFC: Estimated Financial Contribution
EFA: Estimated Financial Assistance

Need Based Aid
COA – EFC = Financial Need
Example for Need Based Aid
$16,00 – 12000 = $4,000

Additional Need based aid
COA-EFC-EFA = Financial Need
Example for Need Based Aid
$16,000 – 0 - $7395 = $8,605
($3,500 Sub Loan, $600 FSEOG, etc)

Need using SAI
COA: Cost of Attendance
SAI: Student Aid Index
OFA: Other Financial Assistance

Need Based Aid
COA – SAI = Financial Need
Example for Need Based Aid
$16,000 – 12,000 = $4000 (OFA)

Additional Need based aid*
COA-SAI-OFA = Financial Need
$16000 – 616,200 (SAI) - $740 = $-600,940
Student does not qualify for further unmet need.

*Previous slide example
How does SAI work in Clock Hour Programs?
Vocabulary and Definitions

• **Scheduled Award** – The maximum amount a student can receive during the award year if the student attend full-time for a full academic year. (Max PELL, Min PELL, or Calculated PELL)

• **Annual Award** – The Scheduled Award adjusted for enrollment intensity.

• **Enrollment Intensity** – The percentage of full-time enrollment at which a student is enrolled, round to the nearest whole percent.  
  
  *Clock hour will always be at 100%*

• **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.  
  
  *Clock Hour uses PELL formula 4.*
PELL Formula 4: Case Studies

• PROGRAM INFORMATION

• College B has a program consisting of 900 clock-hours and 22 weeks of instruction time in length.
• The academic year is defined based on regulatory minimum: 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.
PELL Formula 4 Cont.

To determine the disbursement for the payment period, College B must multiply a student SCHEDULED PELL award by the lesser of:

• The fraction comparing the hours in the payment period to the hours in the academic year \((450/900) = 50\%\)

OR

• The fraction comparing the weeks in the payment period to the weeks in the academic year \((11/26) = 42\%\)
PELL Formula 4 Cont.

Student Info

• SAI: -1500
• Scheduled Award: $7395 (Max PELL)

Fraction Comparison

• Clock Hours (450 clock hours / 900 clock hours) = 50%
• Weeks of instruction (11 weeks / 26 weeks) = 42%

PELL Calculation

• Weeks of Instruction (42%) < Clock-hours (50%)
• First Disbursement = $7395 * 11/26 = $3129**
PELL Formula 4 Cont.

Be very careful how the PELL is calculated for those pay periods which are less than the defined academic year for the program.

Example: (Previous case student, School B)

Weeks of instruction: 11 weeks / 26 defined weeks = 42%
$7395 \times 42\% = 3106$

Weeks of instruction: $7395 \times (11/26) = 3129$

The percentage calculation “robs” the student of $23 for the payment period.
FASFAA 2024 Clock Hour Workshop

Fall 2024
Dr. Jeanne Schurman
Financial Aid Manager
Hillsborough Community College
2023 & 2024 FASFAA Clock Hour Chair

jschurman3@hccfl.edu

813-253-7594
References

2024-25 Draft SAI Guide Supplement Eligibility for Max or Min Pell Grant Resource
• Publication of the 2024-25 Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide (Updated March 21, 2024) | Knowledge Center

Calculating a Federal PELL Grant

DCL – FAFSA Simplification Act Changes for Implementation in 2024-25

FSA Conference session B-15 – Calculating a Federal PELL Grant