

Experimental Sites Information Sheet – Pell Experiments

The list below contains important reminders that were discussed during the Birds of a Feather Session in Las Vegas for the Pell Experiments.

Information Sheet

Random Assignment System (RAS)

The Random Assignment process is a key component of the study. In order for your school to have access to the RAS, you need to participate in the training. You can find a link to that training on our website:

<https://experimentalsites.ed.gov/exp/training.html>.

Your school should be using the RAS system to identify students who will receive Pell funds for the Experiments. To obtain your contact at SPR or if you have questions about the RAS system, call 1-866-235-7263 or email

contact@pellexperiments.org

Updated List of Participants

The updated list of participants for all Experiments is available on our website:

<https://experimentalsites.ed.gov/exp/pdf/ESIParticipants.pdf>.

Information Sharing

Schools expressed an interest in networking with ESI participants to share information. We are looking into several options and will get back to you as soon as possible.

Use of Formula 4 for Short Term Program Experiment

The correct calculation of Federal Pell Grants for students participating in the short term program experiment is critical. Remember, because these short term programs are not normally eligible for Pell Grant funds, your school must use the correct Formula to determine the appropriate Pell amount. Even if your school normally uses Formula 1 to calculate Federal Pell Grants for the school's regular programs, Formula 4 must be used to calculate the Pell eligibility for students enrolled in an approved short-term program. Please refer to the [2013-2014 Federal Student Aid Handbook Volume 3](#). The specific requirements for Formula 4 begin on **page 3-54**. Further, please refer to the [training held on July 25, 2013](#) for more information about Formula 4. The link to that training and all other training is available on the ESI Website under the [Training](#) tab. The examples from that training are attached to this worksheet for your reference.

Experimental Sites Information Sheet – Pell Experiments

Pell Grant Formula 4

Determining the Payment Period for a student enrolled in a short-term program (one academic year or less in length)

- *First payment period is period of time in which the student completes half of the number of credit hours or clock hours, as applicable, in the program and half of the number of weeks of instructional time in the program*
- *Second payment period is the period of time in which the student successfully completes the program or the remainder of the program*

Reference: [34 CFR 668.4\(c\)\(1\)](#)

Using Formula 4 to calculate Federal Pell Grant amount

- Must use Formula 4 to calculate Pell Payment amount
 - To determine the payment for a payment period, multiply the student's Scheduled Award by the **lesser of**:

Number of credit/clock hours in the payment period

Number of credit/clock hours in the program's academic year

Or

Weeks* in the payment period

**Weeks* in the program's academic year (at least
30 for credit-hour, at least 26 for clock-hour)**

**These fractions use weeks of instruction time as defined on p. 3-2 of the 2013-2014 Federal Student Aid Handbook, which are not necessarily the same number as the calendar weeks in an academic year*

Experimental Sites Information Sheet – Pell Experiments
Pell Grant Formula 4 (Continued)

Formula 4 Clock Hour Example

Scenario (2013-2014 award year)

- 300 clock hour program
- 12 weeks
- EFC = 0
- Scheduled Pell \$5,645
- Two payment periods

The school's academic year for the program is based on the regulatory minimums:

- 900 clock hours
- 26 weeks of instructional time.

$$1) \quad 5,645 \times \frac{150 \text{ clock-hours in payment period}}{900 \text{ clock-hours in academic year}} \\ = \mathbf{\$940.83}$$

$$2) \quad 5,645 \times \frac{6 \text{ weeks in payment period}}{26 \text{ weeks in academic year}} \\ = \mathbf{\$1302.69}$$

Must use the lesser of the result of the two fractions: Student would be eligible for **\$940.83** for each payment period.

Experimental Sites Information Sheet – Pell Experiments
Pell Grant Formula 4 (Continued)

Formula 4 Credit Hour Example

Scenario (2013-2014 award year)

- 12 credit hour program
- 16 weeks
- EFC = 452
- Scheduled Pell \$5,195
- Two payment periods

The school's academic year for the program is:

- 36 quarter hours
- 30 weeks of instructional time.

$$1) \quad 5,195 \times \frac{6 \text{ quarter-hours in payment period}}{36 \text{ quarter hours in academic year}} = \$865.83$$

$$2) \quad 5,195 \times \frac{8 \text{ weeks in payment period}}{30 \text{ weeks in academic year}} = \$1385.33$$

Must use the lesser of the result of the two fractions: Student would be eligible for **\$865.83** for each payment period.

REMEMBER:

When using fractions, be careful to multiply first, and then divide to avoid an incorrect result. In the example above:

$$\$5,195 \times \frac{6}{36} \text{ is multiplied as } \frac{\$5,195 \times 6}{36} = 865.83$$

In this case, if you divide the fraction to get a decimal (.166666...) and then round the decimal either down (.16) or up (.17), your calculation will result in a number that's too low (832.20) or too high (883.15).

Experimental Sites Information Sheet – Pell Experiments

Pell Grant Cost of Attendance

When calculating a student's Scheduled Award, an institution must first determine a student's Pell Grant Cost of Attendance for the academic year.

- The types of costs included in the Pell budget are the same as those for the other FSA programs; however, Pell costs are always based on the costs for a full-time student for a full academic year.
- For Pell, costs for programs or enrollment periods longer or shorter than an academic year must be prorated so that they are the costs for one full academic year. This is true for both parts of the academic year definition: if either the number of weeks or the number of clock/credit hours differs from the academic year standard, the costs must be prorated to determine the full-time, full-year Pell budget.
- There are two ways to prorate Pell costs, as shown in the following examples:

Pell Grant Cost Example 1: Prorating Total Costs by Lesser of Two Fractions

You may take the student's entire cost of attendance (tuition and fees, room and board, etc.) and multiply it by the lesser of the two fractions that represent the length of the academic year. If the lesser fraction is one, then you don't prorate the cost of attendance. One fraction is based on credit or clock hours and the other is based on weeks of instructional time, as shown in this example.

Let's use the example of a program that charges \$10,500, awards 18 semester credits, and is completed by most full-time students within 20 weeks of instructional time.

$$\frac{\text{Credit hours in academic year definition} = 24}{\text{Credit/clock hours awarded} = 18}$$

$$\frac{\text{Weeks in academic year definition} = 30}{\text{Weeks provided} = 20}$$

Since the fraction using credit hours is the lesser fraction, the program cost of \$10,500 is multiplied by 24/18 to find the full-year Pell cost.

The full-time cost is \$14,000. Note: If one of the fractions is equal to one, for instance, if the program awards 24 credit hours, then the prorated cost is the same as the original cost of attendance.

Experimental Sites Information Sheet – Pell Experiments

Pell Grant Cost of Attendance (Continued)

Pell Grant Cost Example 2: Prorating Academic Costs and Living Expenses Separately

As an alternative, you can separately prorate the costs associated with credit or clock hours (tuition and fees, books and supplies, loan fees) and the costs associated with weeks of instructional time (room and board, miscellaneous expenses, disability expenses, transportation, dependent care, study abroad, reasonable costs associated with employment as part of a cooperative education program). Using our earlier example of a program lasting 20 weeks and awarding 18 credit hours, and specifying that the student’s tuition, books, supplies, etc., come to \$4,500 and living expenses amount to \$6,000, the calculation would look like this:

$$\frac{\text{Credit hours in academic year definition} = 24}{\text{Credit/clock hours awarded} = 18} \times \$4,500 = \$6,000$$

$$\frac{\text{Weeks in academic year definition} = 30}{\text{Weeks provided} = 20} \times \$6,000 = \$9,000$$

In this example, the student’s Pell budget is the sum of the two prorated costs, or \$15,000.

REMEMBER:

For students who are less than half-time, COA can include only: tuition and fees; an allowance for books and supplies; transportation (but not miscellaneous & personal expenses); an allowance for dependent-care expenses and room and board for a limited duration (that is, no more than 3 semesters or the equivalent, of which not more than 2 semesters may be consecutive). For non-term programs, less-than-half time status is determined by how the program is structured in each of its academic years.

Students in a non-term clock hour program would be considered less than half time for Pell purposes if, at the outset of the academic year, they are scheduled to attend less than 12 clock hours per week over the defined number of weeks in the academic year. An institution may use an average over all the weeks in the academic year in order to determine whether students are scheduled for at least 12 clock hours per week.

Students in a non-term credit hour program would be considered less than half time for Pell purposes if, at the outset of the academic year, they are enrolled in less than 12 semester hours, 12 trimester hours, or 18 quarter hours in the academic year.