

Calculation of a Federal Pell Grant for an eligible workforce program

These examples do not provide a cost of attendance (COA) but if the calculated Scheduled Award is greater than the Pell COA, the Scheduled Award must be capped at the COA.

Clock Hour Program

Student eligible for the minimum Pell Grant – \$740

A school offers a program that is 150 clock hours and 8 weeks of instructional time in length¹. The school defines the academic year for the program based on the regulatory minimums for a clock hour program: 900 clock hours and 26 weeks of instructional time. The school has established two payment periods, each 75 clock hours and 4 weeks of instruction, for this program. Because the program is offered using clock hours, it uses Pell Formula 4.

Under Pell Formula 4, to determine the disbursement for the payment period, the school must multiply the Scheduled Award by the lesser of:

- The fraction comparing the hours in the payment period to the hours in the academic year (75/900), or
- The fraction comparing the weeks in the payment period to the weeks in the academic year (4/26).

If the student's Scheduled Award is \$740, the two possible calculations would be as follows:

- $(75 \text{ clock hours in the payment period} * \$740) \div 900 \text{ clock hours in the academic year} = \61.67 ; or
- $(4 \text{ weeks in the payment period} * \$740) \div 26 \text{ weeks in the program's academic year} = \113.85

In this example, the lesser fraction is the one based on hours. Therefore, the student's payment for the first payment period will be \$61.67 (or \$62 if your school does not award cents). The institution can disburse this amount when the student begins the program². The student can receive a second payment of \$61.67 (or \$61 if your school does not award cents) after they successfully complete the 75 clock hours and 4 weeks of instruction in the first payment period.

Student eligible for the maximum Pell Grant – \$7395

A school offers an eligible workforce program that is 599 clock-hours and 14 weeks of instructional time in length³. The school defines the academic year for the program based on the regulatory minimums: 900 clock hours and 26 weeks of instructional time. The school has established two payment periods of 299.5 clock hours and 7 weeks each for this program.

¹ This is the shortest possible eligible workforce program permitted under the statute.

² Under 34 CFR 668.164(i)(1)(ii), the institution can make this disbursement no more than 10 days prior to the beginning of the student's first payment period.

³ This is the longest possible eligible workforce program permitted under the statute.

ILLUSTRATIVE EXAMPLES. THERE ARE NO CHANGES TO HOW TO CALCULATE A PELL GRANT

To determine the disbursement for the payment period, the school must multiply the Scheduled Award by the lesser of:

- The fraction comparing the hours in the payment period to the hours in the academic year (299.5/900), or
- The fraction comparing the weeks in the payment period to the weeks in the academic year (7/26).

If the student's Scheduled Award is \$7395, the two possible calculations would be as follows:

- $(299.5 \text{ clock hours in the payment period} * \$7395) \div 900 \text{ clock hours in the academic year} = \$2,460.89$; or
- $(7 \text{ weeks in the payment period} * \$7395) \div 26 \text{ weeks in the program's academic year} = \$1,990.96$

In this example, the lesser fraction is the one based on weeks of instruction. Therefore, the student's payment for the first payment period will be \$1,990.96 (or \$1,991 if your school does not award cents). The student can get this payment when they begin the program. They can receive a second payment of \$1,990.96 (or \$1,990 if your school does not award cents) after the student successfully completes the 299.5 clock hours and 7 weeks in the first payment period.

Credit Hour Program

Student SAI = 2000. Eligible for Pell Grant – \$5395 (7395-2000).

The student plans to enroll in a 10-semester-credit-hour program with nonstandard terms that requires 10 weeks of instruction. Assume the academic year is defined as 24 semester credit hours and 30 weeks of instructional time.

A clock-credit hour conversion must be completed because, under 34 CFR 668.8(k), the program does not lead to a degree, and all of its courses do not transfer into a single degree program at the institution.

Class Name	Hours of Classroom Instruction	Credits assigned by school	Conversion Calculation
Payment Period 1 (6 weeks)			
A	30	2	30/30=1
B	30	2	30/30=1
C	30	2	30/30=1
Totals	90	6	3
Payment Period 2 (4 weeks)			
D	30	2	30/30=1
E	30	2	30/30=1
Totals	60	4	2
Program Totals	150	10	5

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The school calculates the student's enrollment intensity for each payment period.

	Payment Period 1	Payment Period 2
Enrollment Intensity	$(3/12) * 5395 = 1,348.75$	$(2/12) * 5395 = 899.17$

Because the program's payment periods are not standard terms, the school must calculate the student's Pell Grant disbursements using Pell Formula 3. For more information on standard term length see: <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2019-11-05/revised-policy-standard-term-length>.

An institution must use this formula for a term-based program that uses only nonstandard terms. To calculate the payment for the term, you must prorate the Scheduled Award.

In Formula 3, the Scheduled Grant Pell Award is prorated based on the number of weeks of instructional time in each term in the academic year to determine the Annual Pell Award by term. Formula 3 requires you to prorate the Scheduled Award by the number of weeks in each specific term, using the following formula:

$(\text{Scheduled Award} \times \text{Weeks in the Term}) \div \text{Total Weeks in the Academic Year}$

	Payment Period 1	Payment Period 2
Pell Award	$(1,348.75 * 6)/30 = \$269.75$	$(899.17 * 4)/30 = \$119.89$