



Clock Hour/Technical Schools Prep for 2024-25

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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)

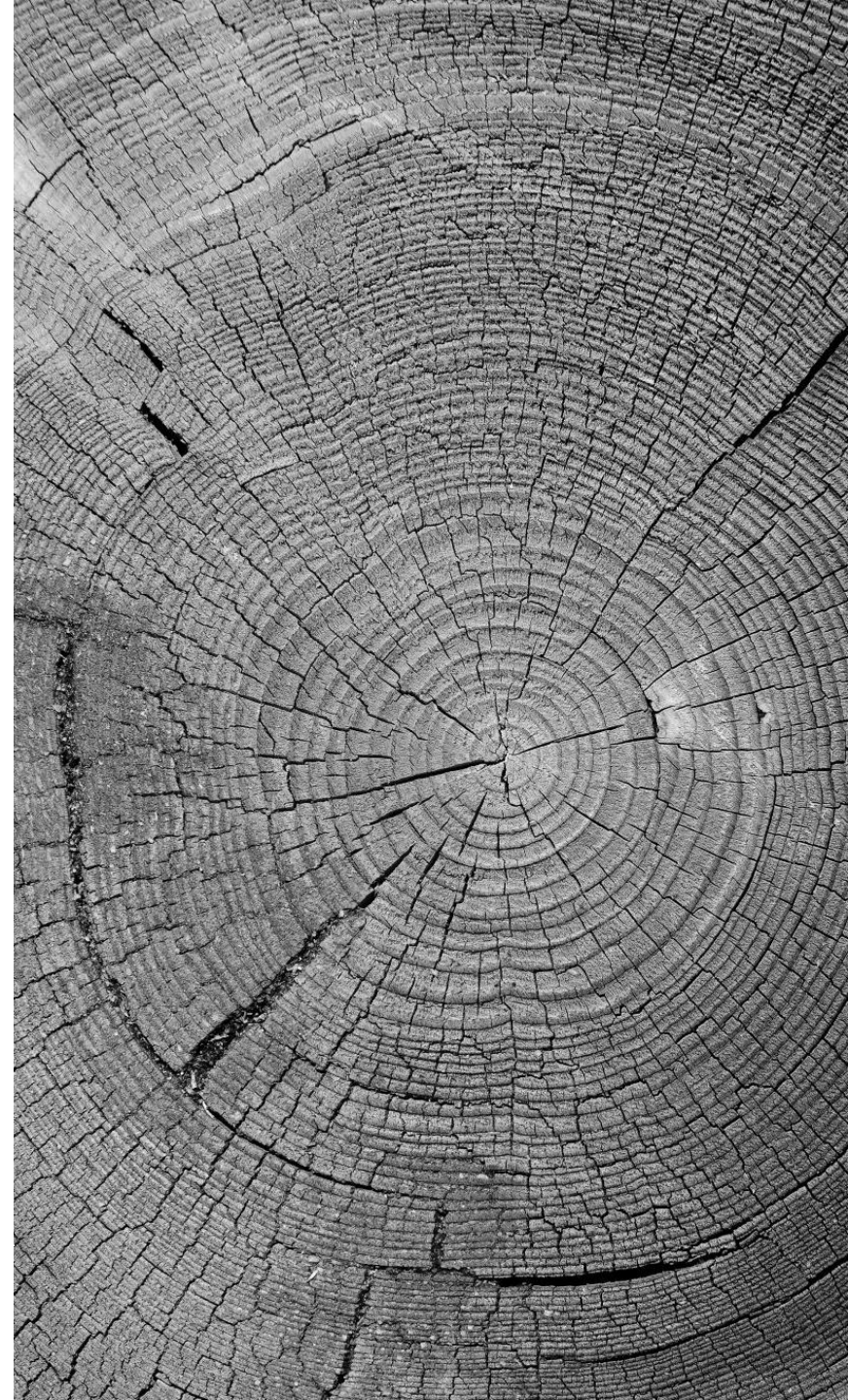


Rules of thumb

- 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”

POVERTY GUIDELINE S AND WHY THEY MATTER

- 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



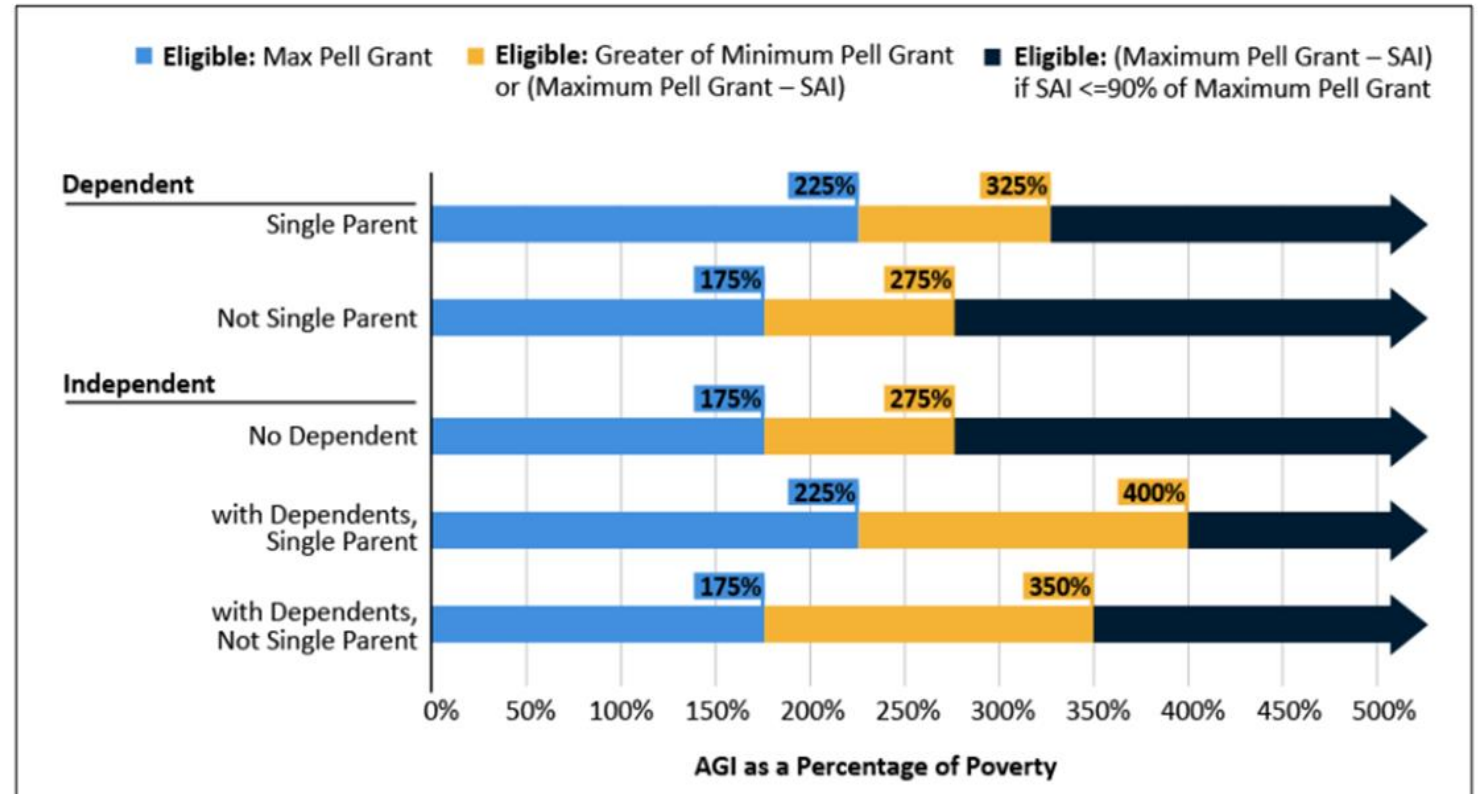
8 or 9

Round up to 0



What kind of family do you have?

Figure I. Pell Grant Thresholds for Award Amounts Under the FAFSA Simplification Act, by Dependency and Marital Status
(AGI as a percentage of federal poverty guidelines)



Source: HEA §401(b), as amended by the FSA.

Notes: AGI is adjusted gross income. SAI is Student Aid Index. Pell Grant award cannot exceed cost of attendance (COA). Adjusted gross income thresholds, as a percentage of poverty, are established by the FSA amendments. Upper thresholds are inclusive of the lower category. For example, a dependent student who has a single parent who has an AGI that is 225% of poverty may qualify for the maximum Pell Grant award.

What are the guidelines?

Choose Year
Choose State

2022
48 Contiguous States

Household/ Family Size	<u>Per Year</u>						
	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	\$73,240
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	\$92,120
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	\$111,000
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,645	\$129,880
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,165	\$148,760
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,685	\$167,640
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,205	\$186,520
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,520	\$18,880

<https://fsapartners.ed.gov/sites/default/files/2023-05/202425DRAFTSAIGuideSupplementEligibilityforMaxorMinPellGrantResource.pdf>
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.

Max Pell?
Min Pell?
Y/N

- Same student, but \$70,000 AGI

Max Pell?
Min Pell?
Y/N

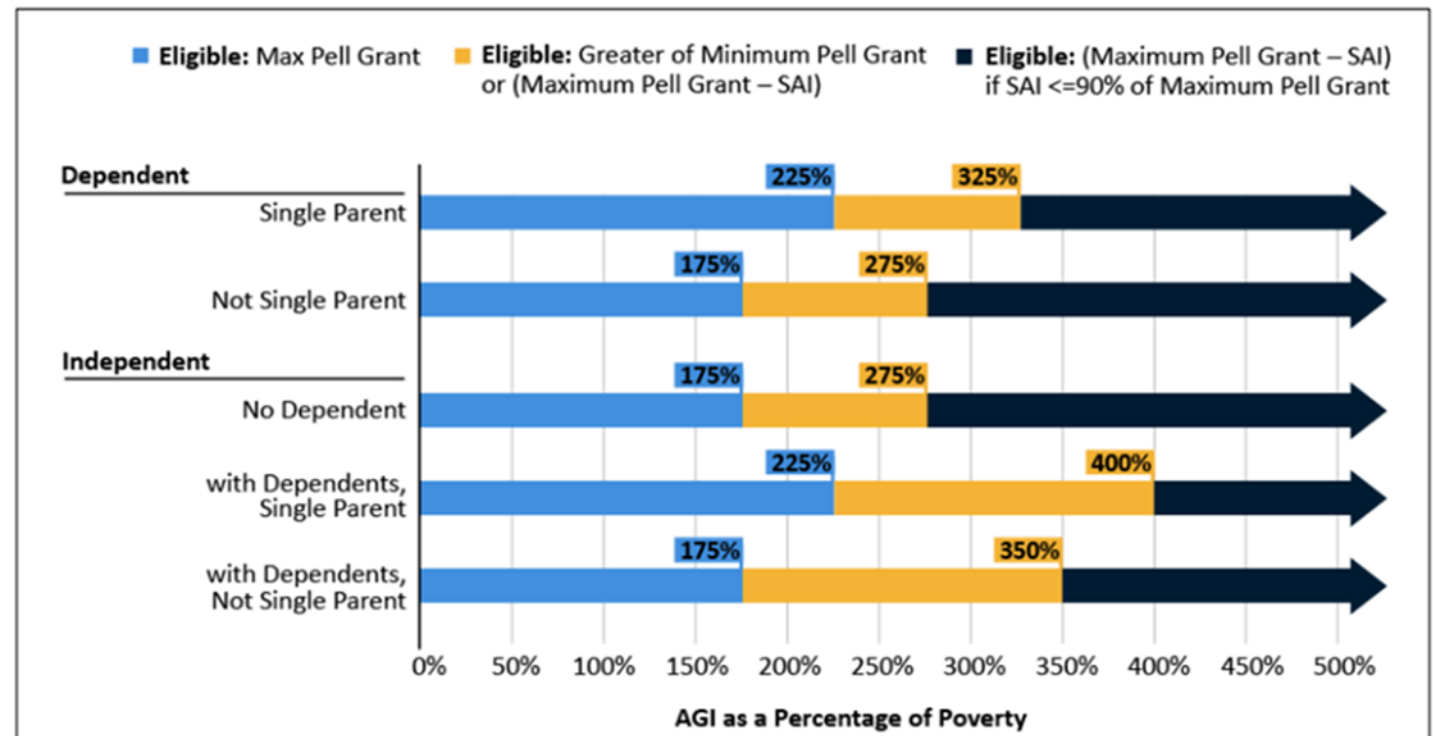
- Independent, 1 in family, earns \$40,000 AGI, lives in FL

Max Pell?
Min Pell?
Y/N

- Independent, no spouse, 3 in family, \$50,000 AGI, FL

Max Pell?
Min Pell?
Y/N

- Same student but \$90,000 AGI



Choose Year
Choose State

2022
48 Contiguous States

Household/ Family Size	Per Year						
	100%	175%	225%	275%	325%	350%	400%
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4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	\$111,000
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,645	\$129,880
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,165	\$148,760
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,685	\$167,640
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,205	\$186,520
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,520	\$18,880

First example

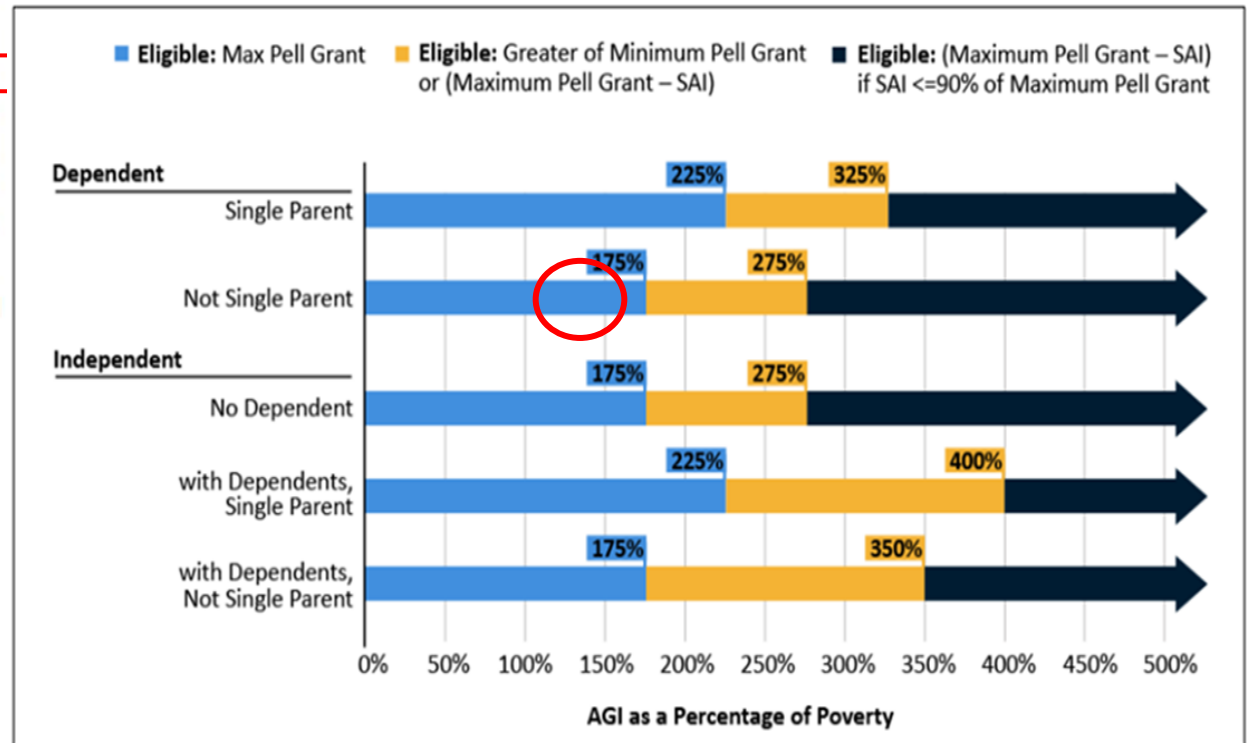
Dependent Student; 4 in the family; parents are married; earned \$48,000 AGI

Choose Year **2022**
 Choose State **48 Contiguous States**

Per Year

Household/ Family Size	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	-----
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,645	
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,165	
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,685	
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,205	
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,520	

The AGI as a percentage of poverty is less than 175%: The student qualifies for “Max PELL”



Second example

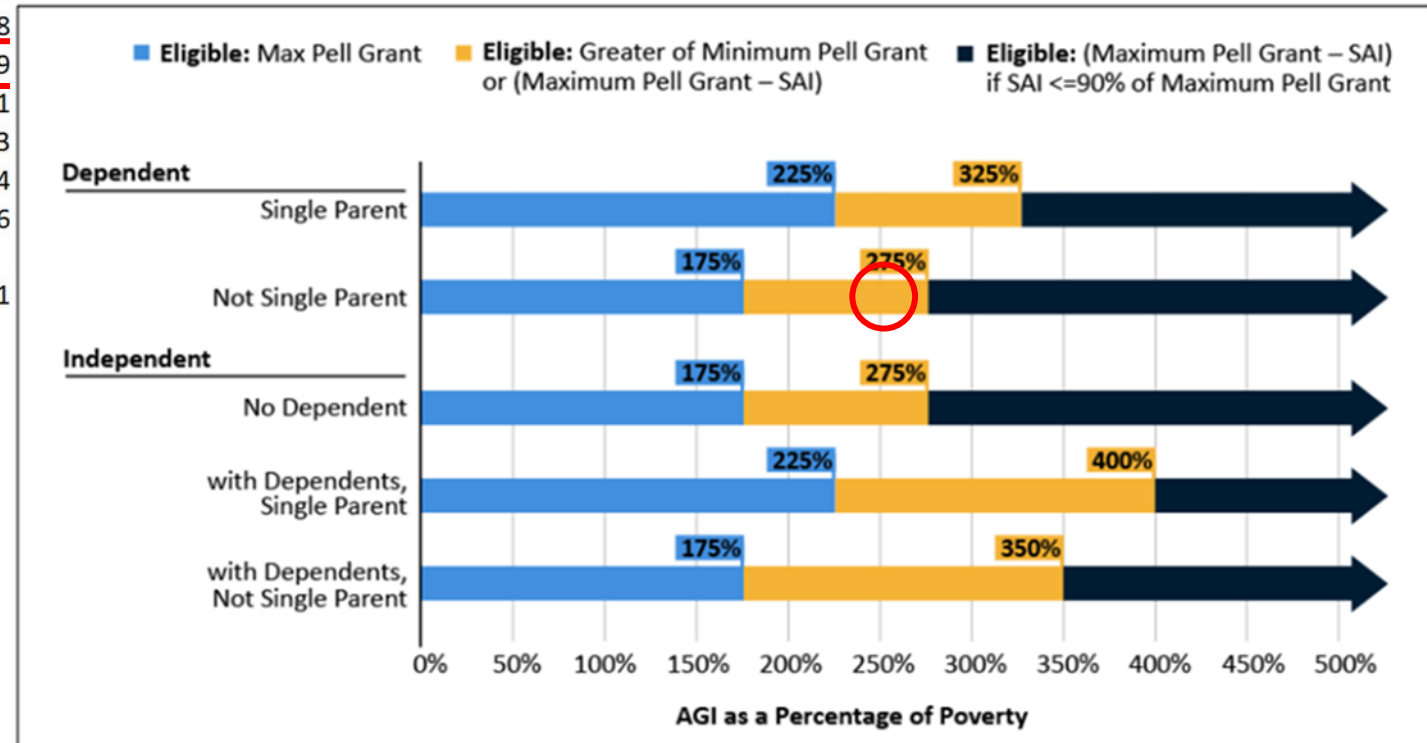
Dependent student; 4 in the family; parents are married; earned \$70,000 AGI

Choose Year **2022**
Choose State **48 Contiguous States**

Per Year

Household/ Family Size	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$61,005	\$72,210
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$81,005	\$92,210
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$99,005	\$112,210
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$115,005	\$132,210
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$131,005	\$152,210
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$147,005	\$172,210
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$164,005	\$192,210
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,005	\$18,210

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

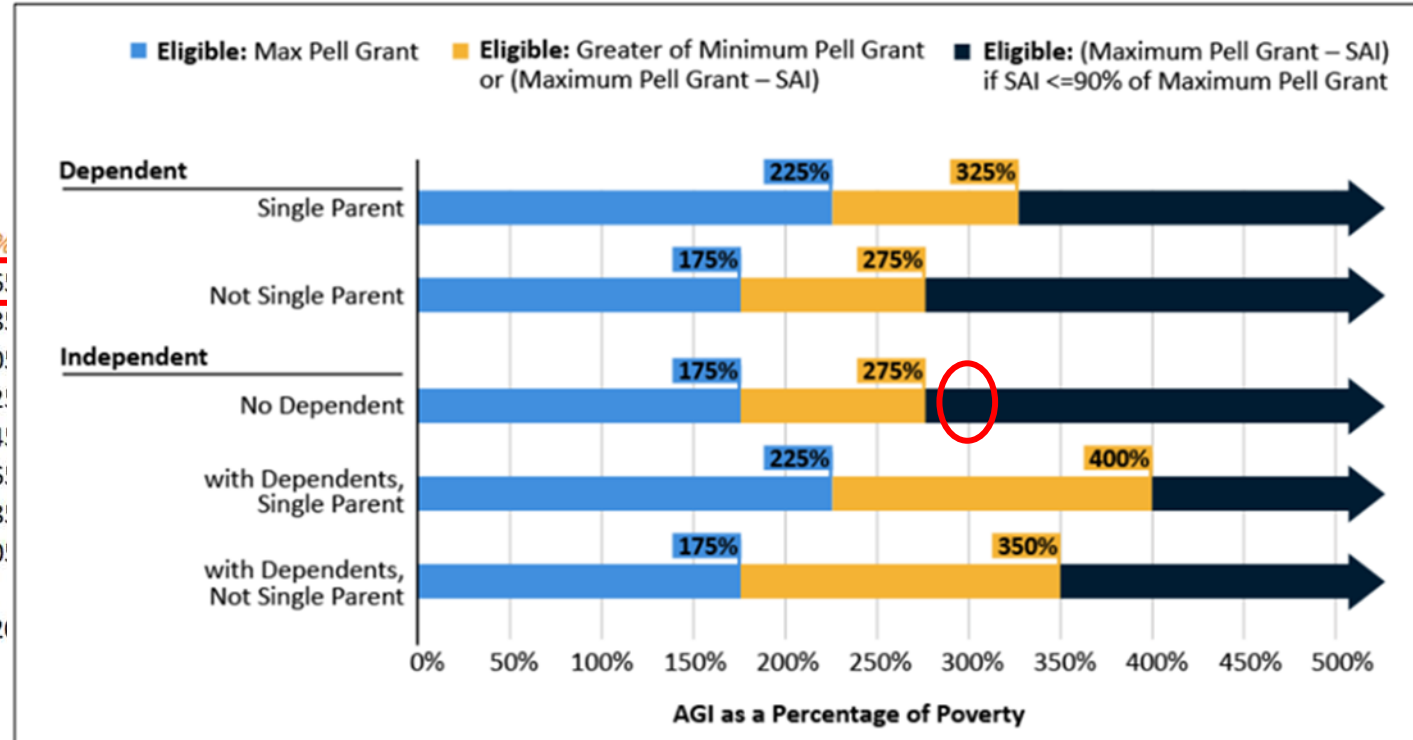


Third example

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

Choose Year **2022**
 Choose State **48 Contiguous States**

Household/ Family Size	Per Year					
	100%	175%	225%	275%	325%	350%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,561
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,081
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,601
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,121
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,641
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,161
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,681
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,201
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,520



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

Fourth Example

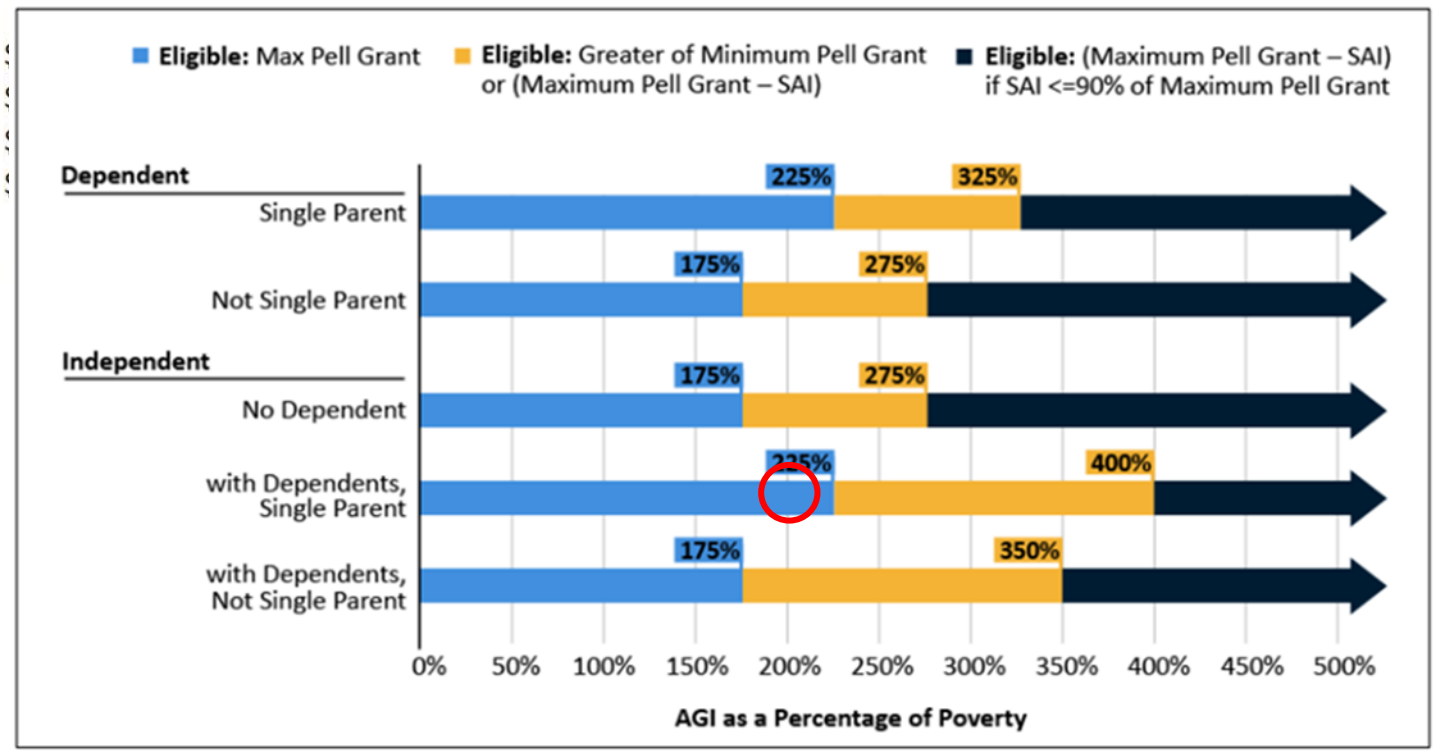
Independent student; no spouse; 3 in family; earned \$50,000 AGI

Choose Year **2022**
 Choose State **48 Contiguous States**

Per Year

Household/ Family Size	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	\$73,240
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	\$92,120
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187		
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527		
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867		
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207		
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547		
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340		

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



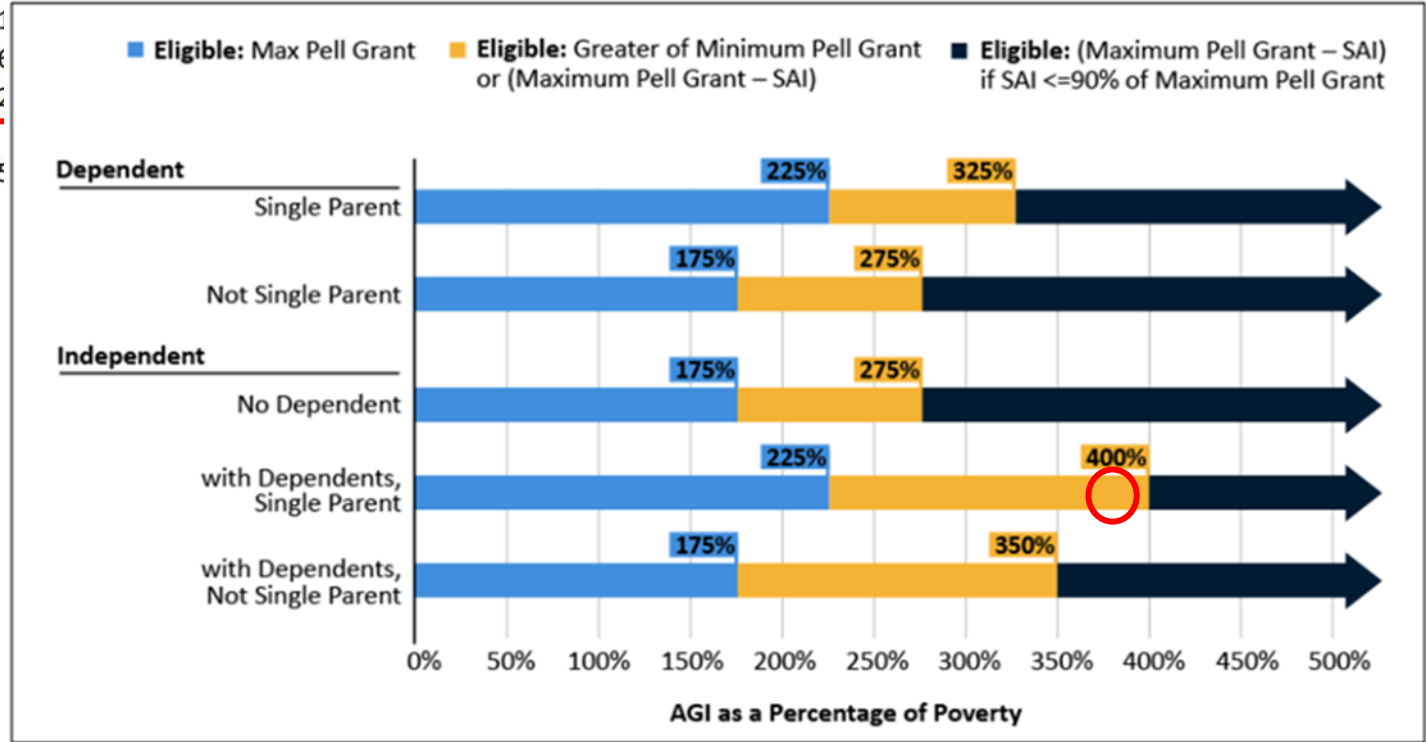
Fifth Example

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

Choose Year **2022**
 Choose State **48 Contiguous States**

Household/ Family Size	Per Year						
	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	\$73,240
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	\$92,120
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	\$111,000
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6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,115	\$149,360
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,615	\$168,160
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,215	\$186,160
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,510	\$18,870

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)



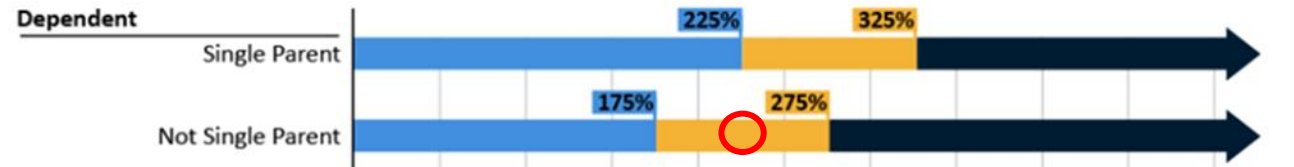
BUT WHAT ABOUT SAI?

- 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??



Family Size	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	\$73,240
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	\$92,120
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	\$111,000
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,645	\$129,880

Student qualifies for PELL in the amount of \$740.

$$\$7395 - \$616,200 = -608,805 \text{ } (\$740 \text{ is greater than } -608,805)$$

ISIR INDICATORS

Student Information Record

SAI 00000
Maximum Pell Indicator 3
Independent

1

MAX PELL

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

Scheduled Award = Published
Max PELL Grant

2

Minimum Pell

- Minimum PELL
Indicator

Scheduled Award =
Published Min Grant

3

CALCULATED SCHEDULED AWARD

- Max PELL minus SAI

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

Find Scheduled PELL Award

Example 2:

Max PELL: \$7395

SAI: 6655

Max PELL – SAI = Scheduled Award

\$7395 – 6655 = \$740 (Min PELL)

Find Scheduled PELL Award

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

Find
Scheduled
PELL Award

Example 5:

Max PELL: \$7395

SAI: -1400 (treat as 0 for PELL)

Max PELL – SAI = Scheduled Award

\$7395 – 0 = \$7395

Find Scheduled PELL Award

Example 6:

Max PELL: \$7395

SAI: 7000

Max PELL – SAI = Scheduled Award

$\$7395 - 7000 = \$395 = \$0^*$

*(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

$COA - EFC = \text{Financial Need}$

Example for Need Based Aid

$\$16,000 - 12,000 = \$4,000$

Additional Need based aid

$COA - EFC - EFA = \text{Financial Need}$

Example for Need Based Aid

$\$16,000 - 0 - \$7,395 = \$8,605$

(\$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

$COA - SAI = \text{Financial Need}$

Example for Need Based Aid

$\$16,000 - 12,000 = \$4,000$ (OFA)

Additional Need based aid*

$COA - SAI - OFA = \text{Financial Need}$

$\$16,000 - 616,200 \text{ (SAI)} - \$740 = -600,940$

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%

$$\$7395 * 42\% = 3106$$

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

The percentage calculation “robs” the student of \$23 for the payment period.

FASFAA 2024 Clock Hour Workshop







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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

- <https://fsapartners.ed.gov/training/federal-student-aid-fsa-training-conference/program/sessions/2023/calculating-federal-pell-grant>

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>

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

- <https://fsapartners.ed.gov/training/federal-student-aid-fsa-training-conference/program/sessions/2023/calculating-federal-pell-grant>