

ANSWER KEY

Exercise A — Selecting Which Formula To Use

Each of the following questions describes a school and the way its program is structured. Use the chart, “Selecting Federal Pell Grant Formulas,” on page 4 to help you determine which formula to use for each school.

1. Alexandria State University (ASU)

- ♦ ASU offers a 4-year B.A. program.
- ♦ The academic year (AY) is defined as 24 semester hours and 30 weeks of instructional time.
- ♦ ASU’s academic calendar has two 14-week semesters (fall and spring).
- ♦ The terms do not overlap.
- ♦ A 10-week summer term is offered.
- ♦ Summer full-time is 12 credits.

Which formula would you use? Why? Formula 2 because there are fewer than 30 weeks of instructional time in fall through spring terms; there are only only 28 weeks here.

2. Julian Institute (JI)

- ♦ JI offers a 2-year degree program.
- ♦ The AY is defined as 36 quarter hours and 30 weeks of instructional time.
- ♦ JI has three 10-week quarters (fall, winter, spring)
- ♦ The terms do not overlap.
- ♦ Two summer mini-sessions are offered. Each is 5 weeks long.
- ♦ Summer full-time, per mini-session is 6 credits.

Which formula would you use? Why? Formula 3 because the summer mini-sessions are not 12 credit hours.

Another option: If the summer mini-sessions are combined into one summer term and full-time is defined as 12 credit hours for the combined summer term, Formula 1 could be used to calculate Federal Pell Grant eligibility.

ANSWER KEY (cont'd)

Exercise A — Selecting Which Formula To Use (cont'd)

When summer mini-sessions are combined, a student who enrolls for 6 credit hours in only one of the summer mini-sessions would be considered to be half-time for the summer term.

The financial aid office can use a different standard from the registrar's office to define full-time status for Title IV aid recipients, but the financial aid office standard must be used for all Title IV purposes.

3. New West College (NWC)

- ♦ NWC offers a two-year associate degree program.
- ♦ The AY is defined as 24 semester hours and 30 weeks of instructional time.
- ♦ NWC's academic calendar has two 15-week semesters (fall and spring).
- ♦ The terms do not overlap.
- ♦ A 10-week summer term is offered.
- ♦ Summer full-time is 12 credits.

***Which formula would you use? Why?* Formula 1 because it meets all the criteria. The summer session has 12 credits.**

4. Horizon Technical College (HTC)

- ♦ HTC offers a 4-year degree program.
- ♦ The AY is defined as 24 semester hours and 30 weeks of instructional time.
- ♦ HTC has two 15-week semesters (fall and spring).
- ♦ The terms do not overlap.
- ♦ An intersession between fall and spring is 4 weeks of instructional time, and full time in the intersession is 4 semester hours.
- ♦ The summer term has 10 weeks, and full time in the summer term is 12 hours.

ANSWER KEY (cont'd)

Exercise A — Selecting Which Formula To Use (cont'd)

Which formula would you use and why? Formula 3 because the intersession is a nonstandard term.

Another option: Combine the intersession with one of the semesters so full time in all terms in the award year require 12 credits. Then you could use formula 1.

Exercise B1 — Steps 1, 2, and 3 for Formula 1

Your school has two standard terms, fall and spring. The academic year is defined as 30 weeks. Both students below are enrolled in an associate degree program with 30 weeks of instructional time in each academic year. The full-time COA for the academic year in this program is \$3,350. Use the Pell Grant Payment Schedule, starting on page 9, to help you determine the Pell Grant annual award for the students listed below?

Student:	Bill
EFC:	375
Fall credits:	12
Spring credits:	12

Step 1: What is Bill's enrollment status? (check one per term)

Fall ☒ Full-time ☐ $\frac{3}{4}$ -time ☐ $\frac{1}{2}$ -time ☐ $< \frac{1}{2}$ -time
Spring ☒ Full-time ☐ $\frac{3}{4}$ -time ☐ $\frac{1}{2}$ -time ☐ $< \frac{1}{2}$ -time

Step 2: What is Bill's Pell Grant COA? \$ **3,350**

Step 3: What is Bill's annual award? \$ **2,350**

ANSWER KEY (cont'd)

Exercise B1 — Steps 1, 2, and 3 for Formula 1

Student:	Janet
EFC:	1,050
Fall credits:	12
Spring credits	6

Step 1: What is Janet's enrollment status? (check one per term)

Fall ☒ Full-time ☐ $\frac{3}{4}$ -time ☐ $\frac{1}{2}$ -time ☐ $< \frac{1}{2}$ -time
Spring ☐ Full-time ☐ $\frac{3}{4}$ -time ☒ $\frac{1}{2}$ -time ☐ $< \frac{1}{2}$ -time

Step 2: What is Janet's Pell Grant COA? \$ **3,350**

Step 3: What is Janet's annual award?

Fall \$ **1,650**

Spring \$ **825**

Exercise B2 — Steps 4 and 5 for Formula 1

Student :	Bill
Fall Annual Award:	\$2,350
Spring Annual Award:	\$2,350

Step 4: What are the payment periods? **Fall and spring semesters**

Step 5: What is the payment for each payment period?

Fall \$ **1,175** (annual award \div 2)

Spring \$ **1,175** (annual award \div 2)

ANSWER KEY (cont'd)

Exercise B2 — Steps 4 and 5 for Formula 1 (cont'd)

Student:	Janet
Fall Annual Award:	\$1,650
Spring Annual Award:	\$ 825

Step 4: What are the payment periods? **Fall and spring semesters**

Step 5: What is the payment for each payment periods?

Fall \$ **825** (annual award ÷ 2)

Spring \$ **413** (annual award ÷ 2)

Exercise C—Formula 1 Calculation

Refer to page 4-91 of your Handbook.

Woodridge College is on a quarter system and meets the minimum Title IV definitions for an academic year and a full-time student. Answer the following questions for this school.

- How many weeks of instructional time does the school offer during the academic year?
 - 36
 - 30**
 - 34
 - 38
- For how many credit hours would an undergraduate student have to be enrolled during each quarter to be considered full time?
 - 12**
 - 24
 - 36
 - 900
- How many Pell Grant payment periods are there during the school's academic year?
 - 1
 - 2
 - 3**
 - 4

ANSWER KEY (cont'd)

Exercise C — Formula 1 Calculation (cont'd)

4. Larry is enrolled at Woodridge College as a half-time student in a program for the full academic year. The full-time COA is \$3,350. Larry's 9-month EFC is 150.

What is Larry's annual award? \$ 1,275

**How much of the Pell Grant
would he receive for each
payment period?** \$ 425

Case Study — Formula 3: Term-Based, Credit-Hour Programs

Step 1 — Determine Enrollment Status: Student is not enrolled in the fall, is enrolled less than half time in the winter, is enrolled full time in the spring, and full time in each summer mini-session.

Step 2 — Calculate Cost of Attendance: Since the COA listed for the AY is for full-time, full-year costs, it does not need to be prorated. The school uses the same costs for all terms so the Federal Pell Grant COA for summer would be the same as the AY (\$5,400).

The COA for less-than-half-time enrollment, which excludes room and board and personal expenses, is \$2,300.

Step 3 — Determine Annual Award: The winter annual award of \$450 is taken from the less-than-half-time schedule (using a COA of \$2,300). The spring annual award is taken from the full-time schedule (using a COA of \$5,400). Since 6 credits is considered full-time during the summer, the student is enrolled full-time in each mini-session so \$2,150 would be used as the annual award for the spring term and each summer session calculation.

Step 4 — Determine Payment Periods: The payment period would be the term. The student is enrolled for 4 terms in the award year, including summer.

ANSWER KEY (cont'd)

Step 5 — Calculate Payment for a Payment Period: This formula allows for calculating payments for a mix of both standard and nonstandard terms. See Formula 3, Step 5, for the fraction that allows a comparison of the weeks in each separate term to the total weeks in the program's definition of AY.

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

($\$450 \times \frac{10}{30} = \150 for winter. $\$2,150 \times \frac{10}{30} = \717 for spring.
 $\$2,150 \times \frac{5}{30} = \359 for first mini-session and $\$358$ for second mini-session.)

Winter—\$150
Spring—\$717

Summer #1—\$359
Summer #2—\$358

Second Option: If the school chose to combine both summer #1 and summer #2 into one summer term and consider full-time in that term to be 12 credits, the school could use Formula 1 to calculate all of its Federal Pell Grant awards for all of its terms. In this situation, 12 credits is considered full-time in all terms. Since the student is taking 6 credits in each summer mini-session, the total projected enrollment for this student for the summer term would be 12 credits or full-time.

ANSWER KEY (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

Directions: Read the following scenario, then calculate Federal Pell Grant payments for each term using Formula 3.

School Information. The Julian Institute (JI) offers a 2-year degree program. Academic year (AY) is defined as 36 quarter credits and 30 weeks of instructional time. JI has three 10-week quarters (fall, winter, and spring). Terms do not overlap. Two summer mini-sessions are offered—each is 5 weeks long. Summer full-time per mini-session is 6 credits.

Student Information. Marie's EFC is 550. Cost of attendance* for 3 quarters is as follows:

\$ 2,000	Tuition and fees
3,000	Room and board** (not allowable for $< \frac{1}{2}$ -time)
200	Books and supplies
100	Transportation
100	Personal expenses** (not allowable for $< \frac{1}{2}$ -time)
\$ 5,400	Total

Marie will enroll:

Not enrolled	Fall 1997
4 credits	Winter 1998
12 credits	Spring 1998
6 credits	Summer #1 1998
6 credits	Summer #2 1998

* Assume cost components for summer are the same.

** The following cost components are not allowable for less-than-half-time enrollment:

- | | |
|--------------------------------|-----------------------|
| 1. room and board | 5. loan fees |
| 2. miscellaneous expenses | 6. insurance premiums |
| 3. study abroad | |
| 4. employment-related expenses | |

ANSWER KEY (cont'd)

Case Study—Formula 3: Term-Based, Credit-Hour Programs (cont'd)

1. Enrollment Status:

Term 1	<input type="checkbox"/> Full-time	<input type="checkbox"/> $3/4$ -time	<input type="checkbox"/> $1/2$ -time	<input checked="" type="checkbox"/> $< 1/2$ -time
Term 2	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> $3/4$ -time	<input type="checkbox"/> $1/2$ -time	<input type="checkbox"/> $< 1/2$ -time
Term 3	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> $3/4$ -time	<input type="checkbox"/> $1/2$ -time	<input type="checkbox"/> $< 1/2$ -time
Term 4	<input checked="" type="checkbox"/> Full-time	<input type="checkbox"/> $3/4$ -time	<input type="checkbox"/> $1/2$ -time	<input type="checkbox"/> $< 1/2$ -time

2. Full time COA:

	\$ 5,400	Total
X	1	Proration ratio (see below)
=	\$ 5,400	Total COA for AY

Less than half time COA:

	\$ 2,300	Total
X	1	Proration ratio (see below)
=	\$ 2,300	Total COA (< half time)

For proration ratio, use lesser of (1) or (2):

(1)	$\frac{\text{Weeks of instructional time in program's definition of AY}^*}{\text{Weeks of instructional time for which costs apply}}$	=	$\frac{30}{30}$
(2)	$\frac{\text{Credit hours in program's definition of AY}^{**}}{\text{Credit hours for which costs apply}}$	=	$\frac{36}{36}$

* minimum of 30 weeks

** minimum of 24 semester or 36 quarter hours

ANSWER KEY (cont'd)

Case Study — Formula 3: Term-Based, Credit-Hour Programs (cont'd)

3. Annual Award: (from appropriate schedule based on term enrollment status and EFC= 550)

Term 1 \$ 450

Term 2 \$ 2,150

Term 3 \$ 2,150

Term 4 \$ 2,150

4. Payment Periods: Number of payment periods in award year in which the student is enrolled 4

5. Payment for a Payment Period:*

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in the term} \quad \boxed{10} \text{ or } \boxed{5}}{\text{Weeks of instructional time in program's definition of AY}^{**} \quad \boxed{30}}$$

* A single disbursement may never exceed 50% of the annual award.

** Minimum of 30 weeks.

First term expected disbursement 450 x 10/30 = \$ 150

Second term expected disbursement 2,150 x 10/30 = \$ 717

Third term expected disbursement 2,150 x 5/30 = \$ 359

Fourth term expected disbursement 2,150 x 5/30 = \$ 358

Expected Federal Pell Grant for the award year *Total* \$ 1,584

REMEMBER THE
RULES FOR
ROUNDING