Strengthen the Federal Pell Grant Program

The Pell Grant program represents the federal government’s most important investment in postsecondary education, assisting approximately 9 million students annually. About one third of these students enroll at community colleges, which serve the highest percentage of low-income students in traditional higher education. Community college students rely on Pell Grants to help pay for tuition, fees, course materials, transportation, and other living expenses. For a full-time student, these costs easily exceed the Pell Grant maximum award, even at low-cost institutions such as community colleges.

Congress has made several changes to the Pell Grant program in recent years in order to close funding shortfalls and generate savings for the program. Several of these changes have limited community college student participation, including the elimination of “ability-to-benefit” (ATB) student eligibility. These ATB students lack a high school diploma or GED, yet historically were able to demonstrate their ability to benefit from college-level coursework either through the successful completion of classes (six credits) or by passing a test. Approximately half of all ATB students attend community colleges.

Previously, Congress eliminated the summer or year-round Pell Grant, after it was in place for only 1 year. Community colleges, many of which had programmatic plans that hinged on the availability of year-round student aid, greatly lament this missed opportunity to increase student success. Congress also reduced the number of full-time equivalent semesters that a student can receive a Pell Grant from 18 to 12, a problem for some community college students that go on to 4-year programs.

Currently, funding for the Pell Grant program is stable and there is a projected surplus in FY 2015. In June, the Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee marked up its funding bill for FY 2015 and included language that would restore aid eligibility, under defined circumstances, for ATB students who enroll in career pathways programs. Assuming Congress follows the Senate subcommittee’s lead, the final FY 2015 funding measure will preserve the appropriated base of $4,860 for the Pell Grant, and the maximum Pell award will increase a projected $100 from the current $5,730 maximum next July.

**AACC Policy Positions:**

- Community colleges strongly support immediate restoration of eligibility for “ability-to-benefit” students and year-round Pell. AACC also supports increasing the maximum number of semesters that a student can remain eligible for a Pell Grant from 12 to 14 semesters.

- Congress should maintain the discretionary funding level from FY 2014 for the Pell Grant program. Preserving the appropriated base of $4,860 for the Pell Grant, when combined with mandatory funding, would allow for a projected increase in the maximum award in academic year 2015–16, from $5,730 to $5,830.