Statutory Changes to Pell Eligibility

Implications for Accelerating Opportunity

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Today’s Presenters

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Today’s Goals

• Review the recent legislative actions eliminating federal financial aid for students without a H.S. diploma/GED and understand its impact on our target population.

• Engage in a collective discussion of strategy and tactics for effectively addressing these changes.
Legislative Overview

• FY 2012 Labor-HHS-Education appropriations legislation (Consolidated Appropriations Act of Fiscal Year 2012) - provides funding for federal programs for the rest of this fiscal year.

• Addresses this year’s Pell grant shortfall in funding

• **Eliminates Pell grant eligibility for students without a high school diploma or a GED**, through the elimination of ability to benefit (ATB) eligibility provisions for Pell grants in the Higher Education Act.

• Changes will take effect on July 1, 2012.
Legislative Overview

Additional changes to Pell grant eligibility:

- Reduction in lifetime eligibility from 18 to 12 semesters (retroactively);

- Reduction of the income necessary for an automatic zero Expected Family Contribution (EFC) from $30,000 to $20,000.

Other Funding Cuts

- Funding cut for WIA Innovation grants down from $125 million in FY 11 to $50 million in FY 12.

- Percent of funding for State-level activities held at 5 percent, as in FY 11, down from 15 percent in the WIA statute and in years prior to FY 11.
Implications for Accelerating Opportunity

• Impacts our primary funding model, in which most students would rely on Pell under the ATB provisions.

• Legislation **does not** bar students without a GED or High School diploma from enrolling in college technical/occupational programs; rather, this legislation means that these students will not be eligible for Pell grants to fund their postsecondary education.

• Decrease in WIA funding may impact local WIB training dollar allocations and could require changing braided funding approaches.
Reactions & Input

• Do you have any questions about the legislation & its implications?

• What percentage of students without a H.S. diploma or GED are each of your demonstration colleges planning on targeting and enrolling?

• To what extent were Pell funds expected to cover tuition for that population?
Potential Strategies

- Target underprepared students who do have a H.S. diploma or GED
- Cost reduction strategies
- Sponsor student tuition via college foundation scholarships
- Self pay
- Emphasize GED bridge programs and accelerated GED programs
- Target incumbent workers
- Maximize Workforce Investment Act training dollars
- Braided funding/access to benefits and supports
- Federal discretionary grant funds.
Discussion

• To what degree will you have to alter your braided funding plans?
• What strategies do your colleges currently use to help students pay for tuition, books, and fees?
• What additional resources could you access?
• What options seem most viable for your colleges?
• Do you have any additional suggestions?
Next Steps

JFF will continue to work with legislative and executive branch officials on this issue.

Thank you for participating. The recorded webinar and PowerPoint presentation will be posted on the Virtual Academy.

For additional questions on this issue please contact Barbara Endel:

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