

Impact of the Immediate and Retroactive Lower Lifetime Limit for Pell Grants

Disproportionately harms African-American students and students enrolled at public and nonprofit four-year colleges, and makes it harder for students needing remediation to complete

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In 2008, Congress limited Pell Grant eligibility to nine years (scheduled awards) and applied the limit *prospectively*—to students receiving a Pell Grant for the first time on or after July 1, 2008.¹ In December 2011, Congress lowered this lifetime limit to six years and applied it *immediately and retroactively*—to all students, including those a semester away from completing their degrees.² As a result of this change, in the upcoming year alone, more than 100,000 students are expected to lose their Pell Grant,³ forcing them to either abandon their education or take on more debt just as interest rates are scheduled to double on some federal student loans.

In the upcoming academic year alone, this immediate, retroactive six-year lifetime limit will make more than 100,000 students permanently ineligible for Pell Grants—including those close to finishing their degrees. Students nearing completion are suddenly finding out that they will not receive a Pell Grant in the upcoming 2012-13 school year and will never be able to receive a Pell Grant again.

Cutting off Pell Grants for thousands of current students will lower, rather than increase, college completion. Without the financial assistance they need to cover college costs, many of these students may not be able to finish their programs. A recent survey found that over half (52%) of students who dropped out from college did so because they could not afford the tuition and fees.⁴

African-American students and students attending public and nonprofit four-year colleges are expected to be disproportionately harmed by the immediate retroactive six-year limit.

- African American students composed 24% of Pell Grant recipients overall in 2007-08, but made up 41% of the Pell Grant recipients who received Pell Grants for more than six years.⁵
- The majority (61%) of students who receive Pell Grants for more than six years attend public or nonprofit four-year colleges.⁶ Many of these students likely transferred from community colleges or previously attended for-profit colleges and may now be close to completion, since only 35% of *first-time* Pell Grant recipients attended public and nonprofit four-year colleges.

The six-year lifetime limit does not exempt time taking developmental (remedial) coursework, making it harder for students facing the most challenges to complete. Forty percent of Pell Grant recipients have to take remedial or developmental courses to improve their basic skills in order to take college-level courses.⁷ At community colleges, a majority of all students require developmental education.⁸ Because students who require developmental education have to take more courses, they should not be held to the same timeframe for completion as those who do not require remediation. Holding Pell Grant recipients who need developmental education to the same timeframe as other students unfairly penalizes them for needing remediation and reduces their chances of completion.

¹ The Higher Education Opportunity Act 2008 (HEOA), Public Law 110-315. <http://www.gpo.gov/fdsys/pkg/PLAW-110publ315/pdf/PLAW-110publ315.pdf>.

² Consolidated Appropriations Act 2012, Public Law 112-74, <http://www.gpo.gov/fdsys/pkg/BILLS-112hr2055enr/pdf/BILLS-112hr2055enr.pdf>.

³ Calculations by TICAS based on U.S. Congressional Budget Office (CBO) staff preliminary estimates of proposed changes to the discretionary and mandatory portions of the Pell Grant program in the Fiscal Year 2012 omnibus appropriations bill, December 2011. This figure was calculated by dividing the estimated FY2012 program costs and budget authority for this change by \$5,550, the maximum Pell Grant for 2012-13. Since not all students above the six-year threshold would have received the maximum grant in 2012-13, this methodology *underestimates* the number of students permanently losing Pell Grant eligibility in the upcoming academic year.

⁴ Public Agenda. 2009. "With Their Whole Lives Ahead of Them." <http://www.publicagenda.org/files/pdf/theirwholelivesaheadofthem.pdf>.

⁵ 2007-08 is the most recent year for which these data are available. Calculations by TICAS on data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 2007-08. These NPSAS data do not adjust for enrollment intensity, so they only approximate the distribution of Pell recipients who would be affected by an immediate and retroactive six-year time limit on Pell.

⁶ Ibid.

⁷ Calculations by TICAS on data from the U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 2007-08. NPSAS respondents were asked, "Since you completed high school, have you taken remedial or developmental courses to improve your basic skills, such as in mathematics, reading, writing, or studying?"

⁸ Rethinking Developmental Education in Community College (CCRC Brief No. 40) by Thomas Bailey. February 2009. New York: Community College Research Center, Teachers College, Columbia University. <http://ccrc.tc.columbia.edu/Publication.asp?UID=672>.