

Year-Round Pell Likely to Return



By Paul Fain
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Many more college students soon may be able to use Pell Grants to pay for summer courses, with the likely return of so-called year-round Pell.

Republican leaders in the U.S. Congress and the Trump White House back the reinstatement of year-round Pell eligibility, according to a wide range of sources. However, increased spending on the grants, which experts have estimated at \$2 billion per year, likely would be offset by a cut of at least \$1.2 billion to Pell's current surplus of \$10.6 billion.

"Community college presidents have repeatedly explained to Congress why their students need the year-round Pell Grant now and not later," David Baime, senior vice president for government relations and policy analysis for the American Association of Community Colleges, said via email, "and from what they are hearing back, the message appears to be taking root. It is greatly encouraging that the support is bipartisan."

The Obama administration eliminated summer Pell eligibility with the backing of the Republican-led Congress in 2012, three years after its creation. The program cost about \$2 billion at its peak. (Overall Pell spending was \$28 billion in 2015-16, with roughly eight million students receiving the grant aid.)

The Obama White House cited budget pressure and questions about the program's effectiveness in making the cut. But experts have argued that the move was purely about money, as Pell's overall costs had ballooned rapidly as more students returned to college in the recession's wake -- with a big bump in the number of students who used the grants to attend for-profit institutions. Obama subsequently proposed bringing back year-round Pell but got nowhere with the GOP-led Congress.

Pell spending has stabilized since it topped out at \$39 billion in 2011. And last month both Speaker of the House of Representatives Paul Ryan and Betsy DeVos, the secretary of education, expressed support for bringing back year-round Pell, which would mean students could take out a second grant in a single year after using the first one to pay for the fall and spring semesters.

"As the cost of college continues to skyrocket, we should be working to expand the Pell Grant program so students don't have to sign on to a lifetime of debt just to be able to attend

college,” Senator Patty Murray of Washington, the top Democrat on the Senate’s education committee, said in a written statement. “By restoring year-round Pell Grants, more students will have access to the opportunities provided by higher education and more flexibility to complete their degrees by taking summer courses.”

Sustainable This Time?

Senate appropriators plan to include the provision in a budget bill Congress needs to pass this month to avoid a government shutdown, sources said. While support in the House remains a bit iffy, advocates for the program said they were cautiously confident about its return. Some said backing from work force-minded employers and business leaders has helped build momentum for the program on Capitol Hill.

“We are hopeful that Congress will seize the unique opportunity they have to use existing Pell Grant reserve funds to restore access to grants year-round for students as well as to provide an increase in the maximum grant, which currently covers the lowest share of college costs in over 40 years and is scheduled to lose its annual inflation adjustment after this year,” Jessica Thompson, policy and research director for the Institute for College Access & Success, said via email.

A Senate panel last year approved a funding bill that would have restored year-round Pell, but the proposal collapsed in the House.

As part of that negotiation, congressional Republicans had pushed to strip more than \$1.2 billion from Pell’s surplus. The Trump White House recently called on Congress to cut \$1.3 billion from the surplus this year, to be followed by a \$3.9 billion reduction next year. Over all, the Trump administration has proposed deep cuts to several federal programs aimed at lower-income students, which critics have said would imperil college preparation and access in the U.S.

Observers from both ends of the political spectrum said some surplus slashing is virtually certain if year-round Pell is to return. The previously negotiated cut of \$1.2 billion is most likely, some predicted.

Student groups have fought any surplus reductions, saying the money should be used to expand access to Pell, such as through increased award amounts and by making permanent annual inflation-tied increases, which will expire after this year. (The current maximum annual grant is \$5,920.)

“We don’t want to have a cutting, austerity discussion,” said Reid Setzer, deputy director of policy and legislative affairs for Young Invincibles, a nonprofit group focusing on the interests of millennials. “Any money they take out of it will exacerbate a future shortfall.”

While year-round Pell is expensive, the program benefits low-income students, said Jason Delisle, a resident fellow at the American Enterprise Institute and Republican former Hill staffer.

Delisle has criticized detractors of the program's effectiveness (most notably the Obama administration), writing that year-round eligibility is a "much-needed modernization" that lacked design flaws in its first iteration.

However, Delisle said the program needs to be re-created with an eye toward financial sustainability.

"It's the fair-weather year-round Pell. If we have the money, we do it," he said. "You want to make sure the program is on a path that you can do it in perpetuity."

Supporters of the program said the proposal Congress is set to consider, which mirrors what emerged in the Senate last year, would in some ways be an improvement from the version that died in 2011.

"Campus leaders are also hopeful that the language that was included in the Senate committee-passed legislation will be adopted," Baime said. "This language effectively addressed implementation complications that occurred when the initial year-round Pell was put into effect."

-- Andrew Kreighbaum contributed to this article.