

Pell Grant Eligibility for Prison Education Programs Suggested Text Additions

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I am proposing adding additional language to the regulatory text on Issue paper #1 to require intrusive counseling to the student as part of program onboarding as a condition of participation in PEP programs for institutions of higher education.

Background:

Pell LEU limits Pell usage to a maximum of six years, or 600% of a student's annual scheduled Pell.

A scheduled Pell Grant amount is the maximum Pell Grant award for a full-time enrolled student in an aid year.

One full time year of enrollment is equal to 100% LEU usage.

LEU usage is prorated by enrollment levels less than full time. A student at half time enrollment in an academic year would be subject to LEU usage of 50% for that year.

At the point LEU limits were established, it became incumbent on a Pell eligible student to effectively budget his or her Pell LEU to maximize its impact on their college costs respective to their academic goals. However, incarcerated students are de facto limited in their educational choices and are subject to a Pell Grant lifetime usage penalty under the current LEU calculations.

For example, under current packaging rules for federal aid, Pell Grant is treated as unrestricted aid which means Pell funds are not limited to cover the direct cost of tuition and fees. A student whose tuition and fees are less than her scheduled Pell grant but under the cost of attendance will receive a credit balance refund to help offset her indirect student costs. She will receive the full benefit of her scheduled Pell Grant and her LEU usage will reflect that usage accurately.

Problem:

An incarcerated student would not be treated in the same way which creates a problem of parity. An incarcerated student's scheduled Pell Grant would be limited to the cost of attendance for the Prison Education Program. (Tuition, fees, books, supplies) under proposed rules which keep in place longstanding regulations for Pell Grant packaging for those who are incarcerated.

Example:

To illustrate an example using real CCC costs, a FAFSA applicant with a zero EFC is eligible for a fulltime scheduled Pell Grant in aid year 2021-2022 of 6,495 for the academic year or 3,247/8 per term at a school that follows a semester calendar and has a cost of attendance at or over 6,495 annually. A similar student who is incarcerated, under currently proposed PEP rules would have an annual COA calculated at 2,394 based on current need analysis guidance, and her Pell Grant would be reduced, per the federal Pell Grant Schedule, to 2,350 annually or 1,175 per semester. At a California Community College, a student with a zero EFC would qualify for a waiver of registration fees, bringing our student's costs to books and supplies only at 1,126 annually or 563 per semester. After the waiver is applied, her Scheduled Pell Grant totaling 2,350 (already reduced in the Pell calculation because of her low COA), would be further reduced to equal her remaining costs of 1,126, or the cost of books and supplies. Her non-incarcerated peer would have been able to access every dollar of their 6,495 scheduled Pell Grant eligibility while the incarcerated student accessed only 1,126 in Pell Grant for the year – with the same financial circumstances and the same enrollment level.

The student under incarceration in this example accessed less than 48% of her scheduled Pell for full time students at the same cost of attendance as her un-incarcerated peer. The disadvantage to the student under incarceration is expressed in the redline text requiring the amount of her Pell Grant not to exceed her cost of attendance:

(ii) If the student's other financial assistance cannot be reduced, the student's Pell Grant must be reduced by the amount that the student's total financial assistance exceeds the student's cost of attendance.

The un-incarcerated student would, in this example, be able to access the Pell Grant that exceeded her cost of attendance according to the most recent guidance in the FSA Handbook, 2021-2022. The un-incarcerated student would be able to receive a credit balance for Pell Grant that exceeded her cost of attendance.

Subsequently, the incarcerated student should be reported as using 47.9% of her scheduled Pell Grant for the payment period rather than 100%. Not only does this treatment create parity with her un-incarcerated peers, but it will also preserve limited Pell Grant eligibility for her future academic goals and will keep higher education within her reach.

Summary of Problem: Students under incarceration are not like students outside incarcerated spaces for several reasons:

1. They do not have access to the same variety of educational choices
2. They do not have unfettered access to student support services like academic and financial aid advising
3. They do not have unrestricted access to online services, resources, educational and consumer focused materials as is available at Department of Education and Federal Student Aid websites.
4. They are dependent on the quality of the guidance provided by the institution conducting the PEP to make decisions about their college funding options that can have lifetime consequences

Proposed Solution: Language should be added to the PEP Issue Paper #1 that formalizes the conditions under which Pell Grant for Incarcerated Students will be reduced and how usage will be reported (LEU) because the treatment of Pell Grant in these instances varies from the treatment received by students who are not incarcerated. Also, intrusive counseling techniques regarding funding for college costs while incarcerated and after incarceration should be part of the onboarding process for students in incarcerated spaces to provide parity with their un-incarcerated peers. Topics to be covered include Satisfactory Academic Progress Policies and appeal processes, Pell LEU and budgeting Pell Grant to maximize benefit, How Pell Grant packaging differs for students in incarcerated spaces, the right to refuse Pell Grant, availability of other funding sources, professional judgment opportunities for dependent students, for changes to financial situations, and for problems with academic progress.

Respectfully submitted on November 7, 2021,

Christina