



July 2016

Q&A: YEAR-ROUND PELL

With ACCT'S Jennifer Stiddard, Director of Government Relations

WHY YEAR-ROUND PELL?

Pell Grants can be used for tuition and fees, room and board, transportation, and other costs related to attendance. The current limitation to the Pell Grant is that if a student attends classes full-time in the fall and spring, there is no aid left over for summer. Year-Round Pell would enable students to receive an additional Pell Grant disbursement so that they can receive grant aid to enroll continuously.

HOW MUCH MONEY DO STUDENTS CURRENTLY RECEIVE IN PELL GRANTS? HOW MUCH MORE WOULD THEY GET WITH YEAR-ROUND PELL FUNDING?

The maximum award for the upcoming school year is \$5,815. Students who attend less-than full-time receive less aid based on intensity. With Year-Round Pell, a student who used up all of the \$5,815 could be eligible for an additional disbursement up to \$2,907. However, that additional disbursement would depend on how many classes that student would take.

WHY SHOULD COLLEGE LEADERS SUPPORT YEAR-ROUND PELL?

Year-Round Pell was authorized in 2008 with the passage of the Higher Education Opportunity Act. It was eliminated a couple of years after implementation when the Pell Grant program faced a significant shortfall. Financial projections for the program have changed significantly. For the next several years, the Pell Grant program is slated to have a significant surplus, so now would be the perfect time to reverse those previous cuts and reinstate Year-Round Pell. Year-Round Pell would also enable community college students to persist and attend college continuously. Data show that students who go continuously without stopping out are more likely to complete. It also has the potential to lower student debt, as many students currently opt to borrow to cover tuition and expenses during the summer or additional semester.

HOW WILL YEAR-ROUND PELL BE FINANCED? ARE TAXPAYERS GOING TO HAVE TO PAY FOR THIS?

The cost of the Pell Grant program is estimated each year as a 10-year projection. The cost is evaluated based on enrollment, eligibility, the economy, and other factors. Right now, there is a \$7.8 billion surplus for the Pell Grant program. While projections can shift, it appears the existing surplus funding can pay for Year-Round Pell at least though the next few years. So no additional appropriated funds are required to pass Year-Round Pell in the 2017 funding bill.

WHAT CAN COLLEGE LEADERS DO RIGHT NOW TO SUPPORT YEAR-ROUND PELL?

Congress will likely pass its 2017 funding bill sometime in the late fall. We expect that all education funding will be part of a larger funding package called an omnibus. Year-Round Pell was included as part of the Senate subcommittee education funding bill; this means it'll be part of the negotiations on what to include in a final bill. It's important that community college leaders show *strong support* for inclusion of Year-Round Pell in the omnibus. ACCT continues to call on trustees and other community college leaders to [contact your members of congress](#) to support Year-Round Pell. If you have an existing relationship with your congressional representative, now is the time to utilize that relationship. If you don't have a relationship with your congressperson, now is the time to develop one. You can find a [toolkit](#) for trustees on our website to help you arrange for your members of Congress to visit your college.

IF YEAR-ROUND PELL IS REINSTATED, WHEN WILL THE CHANGES TAKE EFFECT?

Students would be eligible for Year-Round Pell in the 2017-2018 academic year. Year-Round Pell would help many community college students to stay in and finish college sooner and without as much debt. Restoring Year-Round Pell is an attainable goal, but we can't do it without proactive advocacy from trustees and other community college leaders.