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End of Year-Round Pell Grants Could Lead Many Nontraditional Students to Drop Out

By Derek Quizon

Washington

The likely elimination of the year-round Pell Grant program has left thousands of students who had hoped to receive a second grant this year in limbo. Advocates worry that without the additional aid, many low-income, nontraditional students will make slower progress toward their degrees, or they could be forced to drop out of college.

Under the federal budget deal, students would no longer be able to take out a second Pell Grant to pay for classes starting July 1. Eliminating that option would save the federal government \$8-billion through the remainder of the current fiscal year and in 2012, and would save about \$49-billion over the next decade. Those savings would help close the Pell program's \$20-billion shortfall without cutting the maximum grant award, which is currently \$5,550.

Last year, the year-round provision allowed more than 800,000 Pell recipients to take out a second grant to pay for courses between academic semesters, usually during the summer. Advocates say it has become an important resource for students who are financially independent or over age 24, many of whom take summer and intersession courses in the hopes of graduating and entering the work force, or advancing into better-paying jobs, more quickly.

The changes could harm students at for-profit colleges the most. According to the Education Department, 32 percent of the funds for second Pell Grants go to students at for-profit institutions, making them the largest group of recipients, slightly ahead of students at four-year public institutions.

For-profit colleges also have far fewer students than four-year institutions, suggesting that their students take out second grants at an even greater rate.

Those students want to earn their degrees as quickly as possible so they can return to the work force, says Harris Miller, president of the Association of Private Sector Colleges and Universities, which represents more than 1,600 for-profit colleges.

"They don't have the luxury of backpacking through Europe in the summer or getting an internship with the government," Mr. Miller says. "They've already got a job. They've already got a family to support."

The Education Department has argued that the year-round program has been ineffective since it went into effect in 2009, increasing summer enrollment by just 1 percent over all.

But a report released this week by the Council for the Study of Community Colleges showed that expanded Pell benefits, including summer grants that made courses more affordable, helped boost enrollment at 205 surveyed community colleges by 15 percent during the past two years.

The change affects nontraditional students at four-year, nonprofit colleges as well. At the University of Maine, commuter and nontraditional students make up around 17 percent of the undergraduate population, and many of those students rely on Pell Grants to pay for summer courses, says Barbara Smith, a staff associate for that group.

Nontraditional students are often "very focused on their academic work and want to move rapidly toward a degree so they can graduate and move into a career," Ms. Smith says.

In an interview with *The Chronicle* last month, Charles B. Reed, chancellor of the 23-campus California State University system, said he was concerned about the effect that cuts to Pell benefits would have on his students. More than 120,000 Cal State students—about 30 percent—received Pell Grants last year. About 13,000 of those students received a second grant, according to officials, who say the majority of those grants were used for summer classes.

Preserving the maximum Pell Grant award is still the No. 1 priority of most higher-education advocates, including Kai Drekmeier, president of InsideTrack, a company that advises students on admissions, finance, and academics. If it's an either-or proposition, Mr. Drekmeier says, he would rather see Congress eliminate the year-round program than lower the maximum award.

But getting rid of the program is counterproductive to President Obama's effort to boost the nation's college-completion rates by

2020, he believes.

"To increase the number of college graduates in the U.S., we need to be focused on supporting adult students," Mr. Drekmeier says.

"When you add financial burdens, it can really make it insurmountable for some."

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HeXt 17 hours ago

Most likely they'll transfer away from the schools/programs that are blocked from the financial aid and continue on a path that will improve their education.

I bet most will realize the credits they were given are bogus and it will cause a backlash the for-profits are afraid of that most students don't find out until the for-profits have already bilked them out of the maximum amount they can.

This whole thing is more like spin to me. I went to 2 of these schools. They don't help, they hurt. The worst that happens is these students get out of these schools with LESS debt than the for-profits planned on dropping on them and more of a chance of success than they have if they finish the degree. So they don't finish the degree, most likely they'll go back to the work force when they learn the degree/credits are worth garbage and then the lawsuits start flooding in. The schools know they will lose because other schools aren't going to accept the bogus credits and students will finally blame them as they should. Rather than a student blaming themselves.

This is something that should have happened SOONER. The for-profit college industry deserves no sympathy. They're a bunch of debt factories.

The funding should continue to go to community colleges and programs that won't just create needless debt. I see no problem with this.

4 people liked this.



geof6796 11 hours ago

HeXt, I'm not sure I understand your point. Eliminating the year-round Pell program will certainly affect both proprietary and non-profit schools (both of whom will lose the funding the 2nd grant provides). The big losers in this will be lower-income students, though. Perhaps some will be able to transfer to community colleges with lower per-credit tuition rates, but I fear that many others will simply leave school because of the added financial burden.

AbdulKareemaWheat 9 hours ago

Perhaps those who drop out due to the discontinuation of year-round Pell grants weren't really destined to complete studies for a degree.

1 person liked this. **perfectratio** 3 hours ago

The loss of the second Pell Grant IS a serious concern, and--from my experience--may compromise my students from taking Summer courses at the for-profit college at which I teach. From my experience, as "Harris Miller, president of the Association of Private Sector Colleges and Universities, which represents more than 1,600 for-profit colleges" stated in your article, "Those students want to earn their degrees as quickly as possible so they can return to the work force," seems to be true, albeit for certain students (as is the case at any school). However I have concurrently witnessed admissions and registration procedures at my school which too persuasively 'encourage' ALL students to continue through Summers, three years straight with no break, to graduate in said three-year window.

A number of students thrive on the three-year model (mostly non-traditional students), yet many--especially traditional students ill-prepared for the rigors of college (a noticeable percentage of students at my college)--struggle both academically and financially when the burden of coursework is full-time year-round. As a professor, I discuss with each student advise their particular circumstances, and advise accordingly (I may suggest a student take the Summer off or take a reduced Summer courseload). Too frequently students tell me they were strongly advised by admissions and/or registrars office it is in their best interest to continue through the three years with no break. The significant issue overlooked in your article is that students seem not to be advised by for-profit college administrations based on particular, individual circumstances, rather the profit motive supercedes students' individual academic needs.

I believe the reasons are twofold: 1) students may loose grant monies if they take a reduced courseload and 2) the college obviously benefits financially from the full-year model. BOTH these reasons must be addressed if true change is to occur to remedy the situation.

I've read articles and comments backed by academic rigor--and those which seem to take pot shots--at the for-profit colleges. I'm asking for an honest review of the for-profit colleges. To this end I've written Senator Harkin to ask to address the model from within. I ask you--my colleagues who read the Chronicle--to consider such. For-profit colleges can be a significant and worthy asset to the educational milieu in assisting underrepresented/marginalized academic populations attending college. The model is worthy. It is in need of repair, not demolition.

3 people liked this. **scottgiles** 2 hours ago

In Vermont more than 950 students received year round Pell Grants this past year. The majority of these students (86%) did not go to proprietary schools-- in fact 20% attended our flagship state university.

The decision to eliminate the year round Pell was primarily economic. Pell expenditures doubled over the past three years as a result of changes to need analysis, simplification, the economy and other factors. The only way to maintain the maximum Pell was to reduce eligibility. We will continue to see this play out again and again over the next few years through efforts to restrict the institutions and programs that are Pell eligible. There are good reasons to eliminate eligibility of "bad actors" but we need to be honest about the reasons behind this particular change.

This policy will impact low-income students and the institutions that serve them. Proprietary schools are part of the picture but they all too easily become used as a smokescreen to distract us from the very real issues at hand. Just as there are no free lunches, there are no cuts to the Pell program that do not impact real people.

1 person liked this.

22063319 1 hour ago

Interesting article, but somewhat alarmist and flawed from the start. Most students who would otherwise qualify will still be able to receive "a second grant this year" because the change does not take effect until July 1 and most Summer Terms start prior to July 1. Many nontraditional students will still receive Summer Pell in future academic years because their less than full time enrollment in the regular academic year leaves residual eligibility for Summer Term, as was the case for many years prior to the relatively recent enactment of the provision for two scheduled awards.



lizziec 58 minutes ago

I would be in favor of a means test for Pell Grants, but a different kind: restricting the Pell Grant awards to students who are enrolled in programs (non-profit OR for-profit) that have documented track records of solid employment outcomes. Colleges would be required to submit documentation of outcomes (placement) in detail with documented evidence from employers (so that the Burger King job they had when they started isn't counted as being employed after completing their degree), and students receiving Pell Funds would be required to sign a contract that includes being willing to follow up and disclose their employment status when asked at the end of their studies.

The infrastructures are in place for this at the non-profits and would just require some re-tooling. Not sure about the for-profits, but I suspect they would have to shift some resources from their sales/admissions teams to this effort.

I do not think that the Pell Grant monies should be used so someone could go gaze at their navel and ponder philosophy. In times of economic uncertainty, government subsidies need to be targeted and specific so while I'm a fan of the Humanities and the great contributions they make to a civil society, people who study them should finance their own journeys, perhaps after being funded through Pell to get a job that has tuition benefits for the continuation of the employees' education.

Similarly, the for-profit programs should be examined. Those that turn out illiterate and marginally-better-educated people who have little chance of being hired outside of the Burger King would be ineligible as program choices for students requesting Pell Grant funds.



natsteel 44 minutes ago

lizziec: "I do not think that the Pell Grant monies should be used so someone could go gaze at their navel and ponder philosophy."

I wonder just what disciplines lizziec would consider sufficiently pragmatic as to deserve Pell Grants in such "times of economic uncertainty." I come from a low-income family and was able to complete my undergraduate work in a Humanities field in 4 years largely thanks to the Pell Grant. I am now going to an Ivy League graduate school and have far better career prospects than before. The Humanities can be just as life- and career-improving as so-called "more practical" disciplines.



juggernaut 11 minutes ago

This program has only been around for 1 year, and it can hardly be said that it was instituted in its entirety last Summer. As a financial aid officer at a major 4 year university I believe the claims made in the article are ridiculous. The title alone is deceitful and misleading. The implication made is that non-traditional students rely heavily on this program in order to attend college. It implies that without these additional funds they'll struggle to go to school. To use an old high school phrase: I beg to differ...

First:

The program hasn't been around long enough to even have a track record. There is no historical data to show an increase in the enrollment of non-traditional students due to this program, let alone a dependence on its funds.

Second:

Students are not eligible for year round pell unless they have earned, with a passing grade, at least 24 credits in the first two semesters of the academic year. How many of you come across non-traditional students who, as the article rightly points out, have children to feed, mortgages to pay, a job to sustain, yet manage to maintain full time enrollment for two consecutive semesters. Not that it can't be done, but it isn't done very often.

Third:

The amount of Pell a student receives is rarely enough to pay for all of their tuition and fees (at our institution Pell never pays for all of the tuition and fees - it's not supposed to). So throughout the year our students borrow to cover their remaining bill. However, by their third semester a majority of them have borrowed up to the annual loan limit, and consequentially struggle to pay their remaining balance before registration for the upcoming semester begins. This puts them between a real rock and a hard place. The mortgage for a month, or my remaining balance so I can get registered for the upcoming year? (I've

seen that exact scenario)

All in all, this program was a bust from the brainstorming phase. I like to think the Congress people who came up with it scribbled their ideas down on a cocktail napkin at the correspondence dinner after a few too many. Crossover, second scheduled award, earned credits.... ~ugh~

All joking aside, I do applaud the honest attempt at assisting our students. I understand the goal behind it. But this is simply a case of throwing money at the students of America with the hope of seeing them succeed. They deserve something better than this, and so do the taxpayers who are footing the bill.



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