

## Pell Grant Maximum Preserved, But Eligibility Limited In Latest Budget Battle

By: Joy Resmovits

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With the maximum allocation for Pell Grants preserved in the latest round of the budget showdown -- despite [much political football](#) and an earlier [House appropriations bill](#) that threatened to dramatically slash them -- Democrats and education advocates are breathing a tempered sigh of relief.

"We had to make some very painful cuts in this bill to meet our allocation. So I am very pleased we could minimize the damage in education, maintain the maximum Pell Grant award and actually provide some increases for Head Start, Title I, special education and Promise Neighborhoods," Sen. Tom Harkin (D-Iowa), a member of the senate appropriations committee, said in an a statement to The Huffington Post.

Many in Democratic circles are echoing Harkin's reaction: It could have been worse. The Obama administration [has recently stressed](#) college affordability and accessibility, citing past successes in maintaining Pell funding rates as proof of their commitment to struggling students.

But the [2012 appropriations bill filed Wednesday night](#) -- which insiders say is unlikely to change -- also contains [adjustments](#) in Pell Grant eligibility that have the potential to be particularly painful for low-income students.

Matthew Lexcen, 24, is a first-generation college student at Minnesota State University, Mankato. "I was an only, adopted child in a family of divorced parents that never went to school," he said. "I followed the same trend everyone else my age did: go to college. But it took me awhile longer to figure out what I was doing there."

Pell Grants, Lexcen said, made college possible. But since his transition was rocky, it took him more than four years to graduate. Lexcen is lucky he's graduating this spring: if he had started school any later, the Pell changes would have cut his college dreams short. The new appropriations bill reduce the number of Pell-eligible semesters from 18 to 12. Even though Lexcen will clear the finishing line with a double major, he's still worried about how the "dramatic Pell changes" will affect future students.

Education Trust, a national education-reform organization focused on reducing the achievement gap, shares Lexcen's concerns. The organization released a statement Thursday calling the new rules "disappointing," saying that it "will hit some of America's most disadvantaged college students the hardest." EdTrust suggested trimming tax credits to "families with six-figure incomes" instead of slashing Pells, which is "not just unfair," but "economically dangerous."

According to EdTrust's education policy vice president José Cruz, "underrepresented minorities will be hurt most." That's because low-income students are most likely to take longer to finish college. For those students, starting out in community colleges is a common -- but lengthy -- transition.

"We are prone to getting our savings from the most vulnerable students who could contribute the most to our economy," Cruz said.

But a Democratic source who declined to be named because negotiations were still ongoing went even further, saying, "It could have been a lot worse."

"The 12-semester limitations is one of the hardest pieces -- they'll be notified in July. That gives the administration some heartache."

The bill also narrows the criteria for receiving Pell Grants that cover the full cost of college, to include only students with an income below \$23,000 -- lowered from \$30,000.

Additionally, the bill requires students without high-school diplomas to take the GED before they can be eligible for Pell funding. "This is problematic for immigrant populations who do not have degrees that are recognized by the higher-education system," said Mary Kusler, government relations director of the National Education Association.

Since the eligibility rules are so new, no one has yet calculated the number of students who will be affected by the changes.

But Neal McClusky, who leads the Cato Institute's education policy arm, said the changes are minor relative to the potential savings. "They're doing a very little bit to reign in federal spending on student aid ... but just a tiny, tiny amount." The bill describes saving \$11 billion over 10 years between all student-loan changes, McCluskey said. The tweaks were aimed at filling a \$1.3 billion funding gap.

Joel Packer of the Committee for Education Funding highlighted a few more notable changes in overall education funding. Overall Department of Education funding will slightly decrease, but the bread-and-butter funds that are allocated for low-income and special-education schools (known as Title I and IDEA, respectively) will slightly increase. Additionally, the budget revives funding for a federal literacy program that was quashed last year.

The [Race to the Top](#) program, Obama's signature education program that had states enact specific reforms to compete for stimulus money, was renewed, but at a slightly lower rate: funding decreased from \$700 million to \$550 million. This time around, though, the program will allow districts -- in addition to states -- to compete.

All education funding, with the exception of Pell Grants, is subject to a .189 percent across-the-board cut.

Packer said, "It's not a bill we're going to be jumping up and down for joy over, but we're not ready to slash our throats over it either."