



# ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



## RATIONALIZING THE PELL POLICY DEBATE

January 30, 2012

**Washington DC** – Important policy conversations are now underway about the future of the Pell Grant program. These discussions include proposals by policy analysts to alter the program and, if enacted, could result in major changes in the level and distribution of Pell Grants and, accordingly, major changes in the level and distribution of total need-based grant aid. Given the importance of Pell in supporting access, persistence, and degree and certificate completion, the policy debate must be rational, fact-based, and data-driven.

Previous Advisory Committee reports included nationally representative longitudinal data and analyses showing that access to higher education and persistence to degree and certificate completion for low- and moderate-income students depend critically on the level of need-based grant aid from all sources – federal, state, institutional, and private. The reports also demonstrated that total need-based grant aid is not sufficient, and that deterioration in access over the last two decades, along with stagnant persistence, has undermined bachelor's degree completion, now corroborated by Census data.

**The Advisory Committee will soon release a policy brief showing that inequality in access today will undermine persistence to degree completion this decade and next.**

Given the importance of the nation's goal to increase postsecondary degree and certificate completion, it is imperative that proposals to cap, trim, or redirect the Pell Grant program be supported by data – longitudinal, where necessary – and careful analyses. In particular, proposals to change the Pell program must:

### Analytical Imperatives: Pell Grant Proposals

- spell out empirically the problems that the proposal is designed to eliminate or the improvements that the proposed changes are intended to make,
- assess the impact of implementing the proposal on both total program cost and the distribution of total need-based grant aid, by state and institution,
- identify those students and families who are expected to gain or lose need-based grant aid under the proposal, and, most importantly,
- provide empirically grounded estimates of the impact on enrollment and degree and certificate completion, particularly for students losing need-based grant aid.

Taking these steps, and making all assumptions explicit, will ensure that proposals can be assessed accurately.

The Advisory Committee strongly supports evaluating the federal student aid programs, including Pell, to identify improvements that will benefit students and families and protect program integrity. However, the Committee rejects value judgments that the Pell program is too expensive, complex, or inefficient. Opinions unsupported by data and analysis do not advance the policy discussion. Pell has multiple goals and serves a diverse population. The ultimate test is whether the program assists needy students and families in pursuing their educational objectives and supports achievement of the nation's access and persistence goals.

Pursuant to Section 491 of the Higher Education Act, the Advisory Committee will evaluate policy proposals to modify the Pell program against the four criteria above, in an objective and nonpartisan fashion.

**Please direct all questions in writing to:  
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An independent committee created by Congress to advise on higher education and student aid policy