



# Year-Round Pell Grants: The Challenge of Making Policy Decisions with Limited Evidence

## Case Study on the Necessity of Elevating Evaluation

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# Overview

This issue brief is part of a new series of publications from the Forum for Youth Investment (the Forum) that focuses on how policymakers can better use evidence to improve the lives of children, youth, and their families. This brief follows the Forum's recent report [Managing for Success: Strengthening the Federal Infrastructure for Evidence-Based Policymaking](#), which provided a landscape scan of the federal infrastructure for evidence as of January 2017 and recommended ways in which policymakers could better coordinate and strengthen the use of evidence across the federal government.

The report organized the recommendations into three categories: elevating evaluation, integrating multiple types of evidence into decision-making processes, and using a revenue-neutral approach to scale the use of evidence. This brief serves as a case study for the first category of recommendations on elevating evaluation and examines how the U.S. Department of Education reintroduced the Year-Round Pell Grant in 2017 after the program had been authorized and subsequently discontinued in previous administrations due to a lack of evaluation. The case study focuses on how policymakers have sought to use evidence to inform their decisions related to the Pell Grant despite not having a robust enough evidence base to answer the questions they had about the program.

## Contents

- 01** The Importance of Elevating Evaluation at the Federal Level
- 02** The Pell Grant
- 07** Studies Find That Smaller, Local Scholarship Programs with Flexible Funding Schedules Boost Enrollment and Credit Accumulation
- 09** Congress Reinstates the Year-Round Pell in 2017, but Policymakers Still Fail to Appreciate the Program's Potential
- 10** Conclusion
- 12** Endnotes







# The Importance of Elevating Evaluation at the Federal Level

The Forum's Managing for Success report looked at multiple types of evidence including statistics, data, performance improvement, evaluation, and social and behavioral science. The report found that "in general, the infrastructure supporting evaluation appears to be less robust than the infrastructure supporting statistics, data, and performance improvement: its leadership positions less prominent, its interagency coordinating bodies less formalized, its best practices less codified, and its legislative foundations less sturdy."<sup>1</sup> This weaker infrastructure can have significant consequences in terms of what types of and how many evaluations the federal government can implement.

These findings led the Forum to develop a number of recommendations meant to "elevate evaluation" so that the infrastructure supporting the use of evaluation at the federal level was on par with the infrastructure supporting the use of other types of evidence. This case study seeks to clarify some of the conceptual information in that report by underscoring how more and better evaluations could have supported the decision-making processes behind the initial expansion, discontinuation, and reintroduction of the Year-Round Pell Grant.

This issue brief first summarizes the history of the Pell Grant program, details the research behind the program and other grant-based financial aid programs, explains why the program was expanded in 2008 to include year-round eligibility, and explains why Congress discontinued the year-round eligibility in 2011 on the recommendation of the Obama administration.

The brief then examines what evaluations of local versions of expanded scholarship or aid programs said about the potential of federal year-round eligibility after the program was discontinued and why the U.S. Department of Education ultimately reintroduced the Year-Round Pell Grant in 2017. The case study concludes with some broader reflections about the importance of evaluation as well as the importance of answering the questions policymakers are most concerned about when conducting such evaluations.

## The Pell Grant

The Pell Grant is a subsidy "awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's, graduate, or professional degree."<sup>2</sup> Unlike a federal loan, students do not have to repay this subsidy.

Congress first established the Pell Grant program (originally called the Basic Educational Opportunity Grant before it was renamed after Senator Claiborne Pell) through the 1972 reauthorization of the Higher Education Act. Congress first passed the Higher Education Act in 1965 to provide a variety of financial assistance programs to individuals attending eligible postsecondary institutions. Funding for Pell Grants comes primarily from annual appropriations, although Congress created a mandatory funding source during the George W. Bush administration. President Obama later expanded this mandatory funding source to provide additional funding stability for Pell Grants so that the grants would keep up with inflation each year.<sup>3</sup>



The program provides support to students based on financial need calculations. This amount of funding is meant to serve as the basis for student financial aid with other funding (such as loans or additional scholarships) layered on top of it.<sup>4</sup> Students apply for the Pell Grant through the Free Application for Federal Student Aid (FAFSA).

The U.S. Department of Education uses information from this application to determine a student's expected family contribution. That contribution along with the postsecondary institution's cost of attendance, the student's status as a full- or part-time student, and the overall length of the academic program determine how much money a student is awarded for his or her Pell Grant.<sup>5</sup> The size of the grant is also capped by a maximum award size, which Congress sets annually.<sup>6</sup>

### **Research demonstrates that grant-based financial aid or tuition subsidies can lead to greater college enrollment rates.**

Researchers have long been interested in what effect investments in financial aid for postsecondary education have on education outcomes for students. A study from 1988 showed that “a \$1,000 decrease in net price was associated with a 3- to 5-percentage-point increase in college attendance.”<sup>7</sup> That is, providing a \$1,000 grant-based scholarship could increase attendance rates. The study, however, was limited by nonexperimental methodologies that could not control for various student characteristics.

Further studies from the early 2000s of the Social Security Survivors Benefit, the District of Columbia's Tuition Assistance Grant Program, and the G.I. Bill using more rigorous experimental methods showed that decreases in the cost of tuition (through various grants and scholarships) led to greater enrollment in postsecondary education.<sup>8</sup>

A 2003 study looked at data from the Social Security Student Benefit Program in the early 1980s and found that grant-based aid “increases ultimate educational attainment . . . and the probability of attending college.”<sup>9</sup>

A 2006 study of a District of Columbia-based grant program found that “the number and share of DC residents applying to four-year colleges increased substantially under the program.”<sup>10</sup>

A 2002 study of the educational attainment of veterans after World War II also showed that investments through the G.I. Bill led to gains in collegiate attainment.<sup>11</sup>

Three studies exploited funding availabilities based on geographic boundaries to compare students who are within a boundary (and face lower college costs by virtue of residing closer to a community college) with those just outside the boundary. Those studies found that students facing lower costs were more likely to enroll in college. One of the three studies using this design also found a positive effect on undergraduate degree completion.<sup>12</sup>

### **Research on the Pell Grant program has been more mixed with studies up to the early 2000s showing different results related to college enrollment, persistence, and completion.**

Research from previous decades on the effects of the Pell Grant program has found mixed results. Studies from the 1980s<sup>13</sup> and 1990s<sup>14</sup> found that Pell Grants had no effect on college enrollment. A 2004 study looking at students in Ohio found that Pell Grants could reduce dropout rates by leading to greater persistence among college students.<sup>15</sup>

A 2008 study used changes in grant award amounts and the stability of college prices to examine the effects on student enrollment among low-income Americans when Pell Grant awards are increased. It found that when Pell Grant awards led to a cost decline of \$1,000, enrollment in college increased 6 to 7 percent for students who had just completed high school.<sup>16</sup>

Further studies since 2010 have sought to explain why the evidence on the effects of the Pell Grant program is often conflicting. These studies argue that aid and loan programs are growing increasingly complex, making it difficult for researchers to isolate the effect of any one program.<sup>17</sup>



**Research links credit accumulation and enrollment during the summer term to a stronger likelihood of degree completion, but it is still unclear if extending the Pell Grant program for the entire year increases these factors and leads to stronger outcomes.**

A 2006 U.S. Department of Education study looked at data from high school and college transcripts for students who were eighth graders in 1988. The longitudinal study then tracked the students scheduled to graduate from high school in 1992 and moved through postsecondary institutions over the next eight years.

The national dataset suggested that credit accumulation and summer term enrollment had positive effects on degree completion. The study noted that students with less than 20 credits by the end of their first calendar year of enrollment in college struggled to complete their degrees. More credit accumulation (throughout the fall, winter, spring, and summer) during the first year of college enrollment meant students were more likely to complete their degrees. The study also found that enrolling during summer terms and earning more than four credits during those terms “held a consistently positive relationship to degree completion, and gave African-American students, in particular, a significant boost in hypothetical graduation rates.”<sup>18</sup>

Policymakers saw credit accumulation and degree completion as important goals of the Pell Grant program, but a 2013 Brookings Institution paper, citing National Center for Education Statistics data, reported that “fewer than 50 percent of Pell recipients have completed any degree or credential six years after entry.”<sup>19</sup>

Although the figure was similarly low for all undergraduates (not just Pell Grant recipients), it still constituted a worrisome sign that the program needed improvements, as the nature of the postsecondary system had changed and as college degrees had become more important in the modern job market.

**President Bush expanded the Pell Grant program to Year-Round in 2008 based on research showing the importance of summer term enrollment and credit accumulation in terms of degree completion.**

Even as some studies demonstrated positive outcomes for Pell Grant recipients and a larger base of studies showed positive outcomes for other grant-based financial aid programs, it was unclear what the effect would be of expanding the grant to a year-round program. Such an expansion would allow students to access Pell Grant funding beyond just the fall and spring semesters. They would have access to additional financial aid to take summer courses and earn more credits toward a degree even after they had already used Pell Grant funding to finance fall and spring classes. The goal of the expansion would be to increase credit accumulation, ensure that students stay in college, and increase degree completion and graduation rates.

In 2005, President George W. Bush proposed through his fiscal year (FY) 2006 budget request to make Pell Grants “available year-round at eligible 2- and 4-year degree granting institutions, giving students a more convenient option for accelerating their studies and promptly completing their educations.”<sup>20</sup>

The change would allow students to receive additional funding for the summer semester if they had already reached their annual maximum award during the fall and spring semesters. The proposal would also limit Pell Grant eligibility to 16 semesters anticipating that students would graduate from postsecondary institutions by taking additional courses in the summer. This new requirement would help incentivize timely completion of degrees.<sup>21</sup> The department's budget proposal did not cite any studies or evaluations that led to this change.

Also in 2005, Republicans in the House of Representatives introduced a new bill to reauthorize the Higher Education Act<sup>22</sup> that included year-round Pell Grants, but this legislation was not passed. Following the 2006 elections, Representative George Miller (the new chair of the House Committee on Education and Labor) introduced a new version of the Higher Education Act reauthorization that also included the year-round Pell Grant extension. This version was eventually signed into law by President Bush in 2008.<sup>23</sup>

The 2008 reauthorization allowed the secretary of education to “award a student not more than two Federal Pell Grants during a single award year . . . if the student is enrolled (i) on at least a half-time basis for a period of more than one academic year; and (ii) in a program . . . [that] awards an associate or baccalaureate degree or a certificate.”<sup>24</sup>

The law went further to state that “in the case of a student receiving more than one Federal Pell Grant in a single award year . . . the total amount of Federal Pell Grants awarded to such student for the award year may exceed the maximum basic grant level specified in the appropriate appropriations Act for such award year.”<sup>25</sup> This allowed students to receive Pell Grants outside of the standard fall and spring semesters even if they had already reached their maximum award amount.

### **President Obama cut the Year-Round Pell Grant program before researchers could determine if the program achieved its intended outcomes.**

President Obama proposed ending the Year-Round Pell Grant program in 2011 through his FY 2012 budget proposal. The proposal noted that “discretionary program costs of the Pell Grant program have more than doubled since 2008, increasing from \$16.1 billion in 2008–2009 to an expected \$34.4 billion in award year 2011–2012.”<sup>26</sup>

The Obama administration attributed this growth to four main causes: growth in the number of eligible students (driven largely by the great recession); legislative changes to the program (changing how much a student's family is expected to contribute to the student's education costs through the family contribution provision and what types of expenses count toward this contribution via income protection allowance, both of which provide more generous aid to Pell Grant recipients); the creation of the Year-Round Pell Grant program (which the administration argued had an underestimated cost); and increases in the maximum Pell Grant award through the American Recovery and Reinvestment Act of 2009.<sup>27</sup>

The proposal then predicted an anticipated budget shortfall in funding in future years due to the underestimated costs. The document introduced a number of individual policy proposals, including to “eliminate the ‘two Pell’s (or ‘year-round’ Pell) provision, which allows qualifying students to receive two Pell Grants in a single award year . . . [as this provision] is estimated to add almost \$8 billion to Pell Grant costs in fiscal years 2011 and 2012.”<sup>28</sup>

Congress passed the Obama administration's proposal to eliminate the Year-Round Pell Grant program through the Department of Defense and Full-Year Continuing Appropriations Act in 2011. Students would still receive their year-round grants for the 2010–2011 school year.<sup>29</sup>

### ***Citing overall costs, the Obama administration decided to cut the year-round Pell before fully understanding its benefits.***

In testimony to the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Under Secretary Martha Kantor spoke about the Obama administration's proposal. She similarly mentioned the expansion of the Pell Grant program as a cause in the funding difficulties facing the program saying that “changes to the Federal Pell Grant program, including the statutory provision that allows eligible students to receive more than one Pell Grant in an award year” led to increasing costs for the program.<sup>30</sup>



The administration argued that the expansion of the Pell Grant into a year-round program cost “more than 10 times higher per year than expected” and that “there are serious questions about whether it is achieving its goal of meaningfully accelerating students’ degree completion.”<sup>31</sup> As costs grew, the Obama administration also prioritized continuing to give maximum award amounts to Pell Grant recipients rather than partial award amounts. That meant that the administration was more open to cutting certain provisions (such as the Year-Round expansion, among others) as opposed to leaving those provisions in place and not awarding the fully promised amount of aid to potential recipients.<sup>32</sup>

Researchers outside of the administration would later dispute both of these claims saying that the cost estimates for the program were higher than the actual costs and that the program had not been in place long enough to show evidence of its effects on enrollment, credit accumulation, or degree completion.<sup>33</sup> As one report noted about the Obama administration’s decision, “the timing between implementation and the proposed elimination of the policy was such that there could be little evidence to judge the program on that measure.”<sup>34</sup>

The U.S. Department of Education had only a small window within which to implement the year-round program (one year without departmental rules fully established and in place and a second year with departmental rules fully established and in place) as establishing the rules and guidelines governing a program and fully implementing them often takes multiple years.

The Obama administration had very little performance data on which to base a decision about the program, and no evaluation of the Pell Grant program had occurred during this period. Given this lack of evidence, it was impossible to know whether the program expansion was meeting any of its intended goals or outcomes. The decision to cut the program based on performance data was premature.

### ***Research completed after the program was cut showed cost increases, but evaluation data was relatively scarce.***

In 2013, the Congressional Budget Office (CBO) released a report on the overall growth in spending related to the federal Pell Grant program, after the year-round expansion had been cut. According to that report, “from 2006–2007 to 2010–2011, real (inflation-adjusted) spending on Pell grants increased by 158 percent. That change resulted from an 80 percent rise in the number of recipients and a 43 percent real increase in the amount of the average grant during those four years.”<sup>35</sup> Three primary causes of the increased spending were cited: the economic recession, changes in how postsecondary education is provided, and changes made to the program by policymakers.

First, the CBO noted that the recession “drew more students into the recipient pool . . . as adult students and the families of dependent students experienced losses in income . . . [and] as people who lost jobs sought to acquire new skills.”<sup>36</sup> In 2006–2007, 5.2 million individuals were enrolled in the Pell Grant program. In 2010–2011, this rose to 9.3 million.<sup>37</sup> Second, the expansion of online education and for-profit institutions led to more Pell Grant–eligible students to enroll.

Finally, policymakers played a role in the growth in spending on the Pell Grant program through expanding the size of the maximum grant and expanding the pool of applicants through the first Year-Round Pell Grant change in 2009–10 and 2010–11. The CBO noted that the Year-Round Pell Grant program, which it called supplemental grants, “provided 1.2 million students with an additional \$1,700, on average, in 2010–11, costing about \$2 billion and raising the overall average grant that year by \$220.”<sup>38</sup>

### **Members of both parties propose reinstating the program.**

Despite the decision by the Obama administration and Congress to end the Year-Round Pell Grant in 2011, members of Congress put forth a number of independent proposals to reinstate it.

In November 2014, Senator Tom Harkin introduced the Higher Education Affordability Act in an effort to reauthorize the Higher Education Act. The bill would have reinstated the year-round Pell with the goal of helping students complete their degrees more quickly.<sup>39</sup> In January 2015, Senators Lamar Alexander and Michael Bennet introduced a bipartisan bill called the Financial Aid Simplification and Transparency Act, or FAST Act, which would have allowed for year-round use of Pell Grants, in addition to a number of other provisions related to how students apply for financial aid.<sup>40</sup> In April 2015, Senator Mazie Hirono introduced a more generous proposal to reinstate the year-round Pell Grant program called the Pell Grant Protection Act.<sup>41</sup>

The House of Representatives was also active in proposing reforms to the Pell program; then-Representative Paul Ryan proposed changing the program into a “flex fund” where students would receive the same amount of funding over six years but would be allowed to draw down funds as they took courses (presumably including summer courses).<sup>42</sup>

While these proposals varied in their details, the number of discrete proposals shows that Congress was still substantially interested in expanding the Pell Grant into the summer term even after the Obama administration’s decision to end the year-round program (this interest also likely reflected the relative cost stability of the Pell Grant program as the country recovered from the recession).

### **Studies Find That Smaller, Local Scholarship Programs with Flexible Funding Schedules Boost Enrollment and Credit Accumulation**

MDRC evaluated a number of smaller programs designed to provide low-income students with financial support to attend and graduate from postsecondary institutions. One study, MDRC’s Performance-Based Scholarship Demonstration, looked at a number of programs across the country. The project was launched in 2008 with findings being released starting in 2012 after President Obama discontinued the Year-Round Pell Grant program.

Although the demonstration project looked at programs from multiple states, its evaluation of two community colleges in New York City was particularly noteworthy for policymakers still interested in the Year-Round Pell Grant.<sup>43</sup> The New York City evaluation included three separate cohorts of students: a student group receiving support only in the fall and spring, a group receiving support in the summer as well as the fall and spring, and a group receiving no additional support.

Each student was eligible for \$1,300 in scholarship funding each semester, meaning the first group could receive \$2,600 and the second group could receive \$3,900 provided they met certain performance targets (enrollment for a certain number of hours and a specific grade level further in the semester).<sup>44</sup>

The study found that students in the second group who received additional performance-based financial support in the Fall, Spring and Summer “registered for summer courses at a higher rate, and attempted and earned more credits on average.”<sup>45</sup> Data showed that “the summerscholarship group was 6.8 percentage points more likely to enroll in summer than the group who received scholarships only in the fall and spring, an increase of about 35 percent over the fall-and-spring group’s summer enrollment rate of 19.4 percent.”<sup>46</sup> The findings suggest that year-round scholarships boost enrollment in the summer.

MDRC evaluated two other programs, finding evidence that enrollment in intersession (summer or winter) periods led to greater accumulation of credits. First, in a study published in 2014, MDRC looked primarily at the effects of student learning communities on academic progress at Kingsborough Community College in New York City, collecting data on summer enrollment as part of the study. MDRC found that students who were enrolled in more intersession (summer and winter) periods earned more credits on average than a control group of students who did not enroll in intersession periods. The evaluators found that this increased enrollment and credit accumulation in the intersession period constituted “one-fourth of the effect on total credits earned” across the broader program.<sup>47</sup>

A second evaluation, published in 2015, looked at the City University of New York's Accelerated Study in Associate Programs (ASAP), a program that included comprehensive support services in addition to financial support through "a tuition waiver that covers any gap between financial aid and college tuition and fees."<sup>48</sup>

MDRC evaluated the program's effect on a treatment group in the program compared with a control group not in the program after three years. Enrollment data from the study showed that students in the treatment group (who received additional financial support) were far more likely to enroll in intersession periods.

While the program saw higher enrollment among ASAP students during the fall and spring, the effect during the intersession periods was much higher, "peaking at 25.2 percentage points during the second semester."<sup>49</sup> The study found that the difference in enrollment during the summer periods was "responsible for the program group earning on average 2.4 more cumulative total credits over six semesters (the equivalent of taking nearly an additional extra course)."<sup>50</sup>

### ***Additional Research Shows That Needs-Based Grant Programs Like the Pell Grant Have a Positive Effect on Attendance, Credit Accumulation, and Degree Completion***

In a 2013 study of the effects of the Florida Student Access Grant, a needs-based grant similar to the federal Pell Grant, researchers found that the state-based program "had a positive effect on attendance, particularly at public four-year institutions" and an "increased the rate of credit accumulation and bachelor's degree completion within six years, with a 22 percent increase for students near the eligibility cutoff."<sup>51</sup>

A 2016 study of the effects of a private needs-based grant in Wisconsin found similar results. Students attending 13 public universities across the state had increased odds of attaining a bachelor's degree after four years and improved retention rates if they received additional grant aid.<sup>52</sup>

A 2014 study using propensity scores to compare students who did and did not receive needs-based grants found that "need-based grants from all sources increase chances to complete a degree within six years, whereas unsubsidized (federal) loans are found to drastically lower chances to obtain a degree."<sup>53</sup> The author noted that federal grant aid of at least \$1,000 led to an increase in the chance low-income students would graduate by 2.52 to 2.82 percent—the highest increase of financial aid mechanisms studied.<sup>54</sup>

The aforementioned studies show that financial support can increase enrollment outside of the fall and spring semesters and that such enrollment can lead to additional credit accumulation. It is important to note, however, that these evaluations were of small, local programs. The effects cannot necessarily be extrapolated to predict the results of a nationwide shift in Pell policies. Studies of statewide programs demonstrate that needs-based grant programs can lead to greater enrollment, credit accumulation, and degree completion.

### ***One Study of the Year-Round Pell Using 2009–2010 and 2010–2011 Data Finds Positive Effects on Summer Enrollment and Associate Degree Completion***

There is a paucity of data on outcomes related to President Bush's initial expansion of the Pell Grant program in 2007. One 2017 study used state administrative data from a community college system to examine how increases in grant aid through the Year-Round Pell Grant affected student outcomes.

The study found that students who got an additional \$1,000 in funding increased their summer enrollment by 28 percent and their associate degree completion by 2.4 percent. This outcome was primarily due to gains made by students over the age of 20 as opposed to students just out of high school. Whether the results are indicative of the country as a whole is unclear, as the data are from only one community college system and not nationally representative.<sup>55</sup>





### ***A Study of the Pell Grant Using Data from 2008 to 2011 Finds Positive Effects on College, Enrollment, Graduation, and Earnings***

A recent 2018 study analyzing administrative data from students enrolling in Texas public colleges and universities between 2008 and 2011 found that “among first-time bachelor’s degree-seeking college students, qualifying for the maximum Pell Grant significantly increases graduation and earnings beginning four years and lasting at least seven years after entry.”<sup>56</sup>

The authors also found that eligibility for Pell Grant awards “is correlated with significant increases in the number of first-time-in-college and returning community college students, suggesting that additional grant aid affects enrollment decisions of individuals on the margin of attending a community college.”<sup>57</sup> This is the first study of the Pell Grant to examine students’ in-college and post-college earnings.

### **Congress Reinstates the Year-Round Pell in 2017, but Policymakers Still Fail to Appreciate the Program’s Potential**

In May 2017, the U.S. Department of Education Appropriations Act reinstated the year-round Pell Grant, adding the following section to the 1965 Higher Education Act:

Effective in the 2017–2018 award year and thereafter, the Secretary shall award an eligible student not more than one and one-half Federal Pell Grants during a single award year to permit such student to work toward completion of an eligible program if, during that single award year, the student—

- (i) has received a Federal Pell Grant for an award year and is enrolled in an eligible program for one or more additional payment periods during the same award year that are not otherwise fully covered by the student’s Federal Pell Grant; and
- (ii) is enrolled on at least a half-time basis while receiving any funds under this section.



In the case of a student receiving more than one Federal Pell Grant in a single award year . . . the total amount of Federal Pell Grants awarded to such student for the award year may exceed the maximum basic grant level specified in the appropriate appropriations Act for such award year.<sup>58</sup>

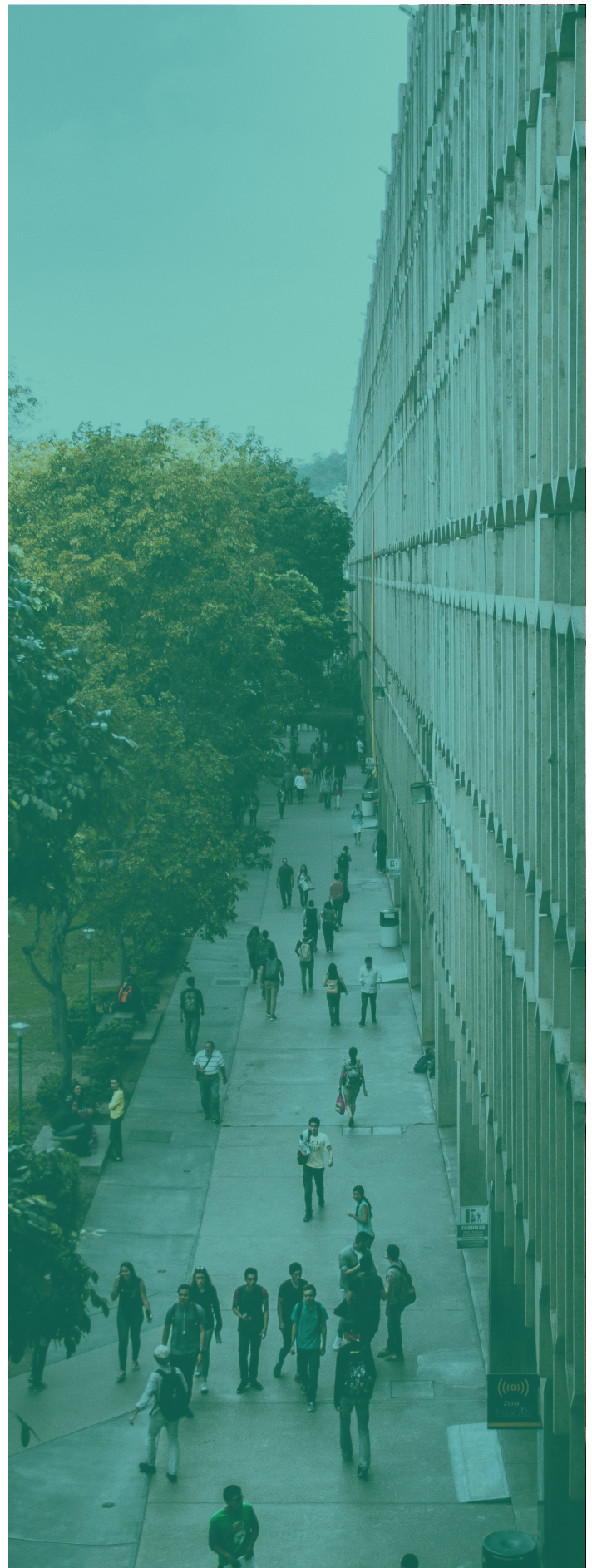
In June 2017, Secretary of Education Betsy DeVos formally announced the reinstatement of the Year-Round Pell Grant in order to “allow an eligible student to receive up to 150 percent of the student’s Federal Pell Grant Scheduled Award beginning with the 2017–2018 award year.”<sup>59</sup>

Secretary DeVos released a “Dear Colleague” letter along with the announcement providing additional guidance for implementation. The guidance noted that “to be eligible for the additional Pell Grant funds, the student must be otherwise eligible to receive Pell Grant funds for the payment period and must be enrolled at least half-time.”<sup>60</sup>

The guidance also detailed how institutions are to treat crossover payment periods (i.e., a period for which a student enrolls that includes both June 30 and July 1, overlapping two award years), particularly in respect to the first year of implementation.

Reaction to the congressional change and Secretary DeVos’s announcement was positive as it was believed that the 150 percent cap for a maximum Pell Grant in a single year was a more responsible way to restore year-round Pell eligibility.

Most students will receive roughly the same amount of money in each semester, and the change ensures that students will not “exhaust their lifetime Pell eligibility, which is capped at 12 semesters, before they can make serious progress toward a degree.”<sup>61</sup>



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## Conclusion

Currently the Institute of Education Sciences is funding only one evaluation of the Pell Grant program. That evaluation is examining only whether the Pell Grant is useful for students who already have a bachelor's degree in gaining additional credentials. It will not look at the Pell Grant's recent expansion into the entire year and what effect that might have on student outcomes such as enrollment, credit accumulation, persistence, graduation, and employment.

Throughout the past decade policymakers have been working to make the best decisions possible with the evidence available. Unfortunately, that evidence is not particularly robust. Although evidence exists linking grant-based financial aid to better outcomes such as enrollment, persistence, and credit accumulation, that evidence is not usually about the Pell Grant program specifically.

At best, it is experimental evidence about state-based programs. Unfortunately, the one study that evaluated the Year-Round Pell Grant program examined only one community college system. That study was promising, but the evidence base should be more robust if federal policymakers want to make decisions about a program that would affect millions of Americans.

Whereas randomized, controlled trials are an effective way to evaluate the impact of some types of public programs, the methodology does not work for all types of programs, nor does it necessarily answer all the questions a program needs to answer in order to improve. In the case of Pell, researchers cannot deny the grant program to some students in order to develop an identical comparison group for evaluation purposes.

The most rigorously designed studies summarized in this brief have generally developed as eligibility rules change year to year within the Pell Grant program leading to correlational or quasi-experimental designs.

Future evaluations need to ask the right questions and be connected to improving the program. While it is important to know whether the program is effective at reaching key outcomes, it is also important to understand under what conditions the program is effective. Policymakers would be better situated to improve the Pell Grant program if they had more robust evidence about what contexts the program succeeds in, which populations the program is most effective for, and what type of implementation is needed in order to meet these outcomes.

This is particularly important as much of the current evidence shows different outcomes for different populations (older versus younger students) and for different contexts (local programs versus state-based programs).

It is clear from the large number of available studies that researchers and policymakers are greatly interested in how to better support low-income Americans' access to and, ultimately, graduation from postsecondary institutions. It is not a matter of whether policymakers should be basing their decisions on evidence, but rather how policymakers should work to ensure that the evidence on which they are basing their decisions is robust enough.

Investing more in evaluation could help policymakers better understand the effectiveness of the Year-Round Pell Grant program as well as how to improve the program for future students across the country.



# Endnotes

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- <sup>7</sup> L. C. Page and J. Scott-Clayton, *Improving College Access in the United States: Barriers and Policy Responses*, working paper 21781 (Cambridge, Mass.: National Bureau of Economic Research, 2015), 8, <https://www.nber.org/papers/w21781.pdf>.
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