



A Monumental Shift: Restoring Access to Pell Grants for Incarcerated Students

After 26-year ban lifts, incarcerated students can once again receive this federal financial aid

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Students in state and federal prison will once again have access to Pell Grants to pay for college courses. The FAFSA (Free Application for Federal Student Aid) Simplification Act, signed into law on December 27, 2020, corrects a debilitating policy decision made by Congress decades ago. When it takes effect—no later than July 1, 2023—it will mark the first time since 1994 that all incarcerated students have access to these funds. This financial aid will give incarcerated people the opportunity to attain postsecondary education and gain the competitive skills and qualifications that will help them succeed when they return to their communities.

Background

When Congress revoked incarcerated students' access to federal student aid amid a slew of "tough-on-crime" policies in the 1990s, people in prison were left without a reliable or consistent source of funding for postsecondary education. Incarcerated people earn pennies per hour for the work they do in prison, making it next to impossible for them to afford postsecondary education without financial support.¹

In 2015, the U.S. Department of Education launched the Second Chance Pell Experimental Sites Initiative, which, in 2016, enabled 67 colleges and universities to partner with prisons, authorizing them to administer Pell Grants to incarcerated students enrolled in their postsecondary programs. The program has since grown, and in 2020, 130 colleges participated in Second Chance Pell.² The Vera Institute of Justice (Vera) has provided technical assistance to these institutions to ensure that programs provide quality higher education. Second Chance Pell currently serves a maximum of 12,000 incarcerated students annually.

The FAFSA Simplification Act reverses the ban on Pell Grants for students in state and federal prison, builds on the success of the Second Chance Pell Experimental Sites Initiative, and eases some of the hurdles participants encounter while applying for financial aid from behind bars.

Why it matters

Education is transformative. Without access to postsecondary education programs in prison, formerly incarcerated people face greater challenges securing well-paying jobs, making it harder for them to find stable housing, provide for their families, and reintegrate into their communities. Ninety-five percent of people in prison will rejoin their communities, so access to education is critical to ensure they're set up for success.³ There are proven benefits to providing these opportunities. Research shows that greater access to postsecondary education in prison reduces recidivism rates—participants in these programs are 48 percent less likely to recidivate—and could cut state prison spending across the country by as much as \$365.8 million annually.⁴

What it does

The FAFSA Simplification Act reinstates access to Pell Grants for otherwise eligible incarcerated students. This now includes a broader set of students—those in prisons, jails, and juvenile and civil commitment settings. Students must be enrolled in or accepted to a qualifying prison education program. The law is "sentence-blind," meaning that all incarcerated people are eligible, regardless of conviction or sentence length.

Previously, people with certain drug-related convictions could not qualify for Pell Grants. The law removes that restriction, making it easier for more students to qualify. The FAFSA will no longer require applicants to provide information about drug-related convictions.

A number of other provisions make it easier for all prospective students to apply for financial aid. The law also:

- › reduces the number of questions on the FAFSA form by two-thirds, from 108 to 36;
- › eliminates the requirement to register with the Selective Service System in order to receive financial aid;
- › replaces "Expected Family Contribution" (EFC) with the "Student Aid Index" (SAI) and increases the number of students eligible to receive the maximum Pell Grant;
- › establishes new guidelines to determine the "cost of attendance" for incarcerated students, including tuition, fees, books, and course materials, as well as the cost of obtaining a license, certification, or a first professional credential; and
- › allows financial aid administrators to make adjustments on a case-by-case basis for students with special or unusual circumstances, making it easier for incarcerated students and students with incarcerated parents to accurately document their circumstances and qualify for financial aid.

These provisions will take effect July 1, 2023, for award year 2023–2024, although the U.S. Secretary of Education may implement these changes sooner. The law also increases the maximum Pell Grant for the 2021–2022 award year by \$150, with a new maximum of \$6,495.



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What happens next

The FAFSA Simplification Act creates new evaluation and reporting guidelines for prison education programs to ensure that programs are operating in the best interest of students. Prison education programs must meet certain conditions and be approved by the Federal Bureau of Prisons or a state entity responsible for overseeing correctional facilities, a critical requirement to ensure the quality of offerings. Vera is launching a Corrections Education Leadership Academy in Spring 2021, designed to provide support to departments of corrections and education leaders in creating statewide education systems for incarcerated people.

The FAFSA Simplification Act significantly expands access to Pell Grants for students seeking financial aid for postsecondary study. Vera has estimated that, with the reversal of the ban, up to 463,000 people in prison will be eligible for Pell Grants.⁵ This is a step toward creating a more equitable society, especially for Black and brown people, who are sentenced to prison at higher rates.⁶ It also means that formerly incarcerated people can leave prison better equipped to support themselves, their families, and their communities.

For more information

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Endnotes

1. Wendy Sawyer, “How Much Do Incarcerated People Earn in Each State?,” Prison Policy Initiative, April 10, 2017, <https://perma.cc/73XL-ZDD4/>.
2. U.S. Department of Education, “Secretary DeVos Expands Second Chance Pell Experiment, More than Doubling Opportunities for Incarcerated Students to Gain Job Skills and Earn Postsecondary Credentials,” press release (Washington, DC: U.S. Department of Education, April 24, 2020), <https://perma.cc/CR39-RCE2>.
3. Nathan James, *Offender Reentry: Correctional Statistics, Reintegration into the Community, and Recidivism* (Washington, DC: Congressional Research Service, 2015), <https://perma.cc/F8YP-CPD8>.
4. Ruth Delaney and Chase Montagnet, *Second Chance Pell: A Snapshot of the First Three Years* (New York: Vera Institute of Justice, 2020), <https://perma.cc/8G2H-RB94>; and Vera Institute of Justice, *Investing in Futures: Economic and Fiscal Benefits of Postsecondary Education in Prison* (New York: Vera Institute of Justice, 2019), <https://perma.cc/6539-9QTU>.
5. Ibid.
6. Jacob Kang-Brown, Chase Montagnet, and Jasmine Heiss, *People in Jail and Prison in 2020* (New York: Vera Institute of Justice, 2021), <https://perma.cc/32UL-WTDG>.

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