



Brewing Battle Over Pell Grants

Lawmakers consider expanding Pell Grants to short-term job training, with backing from community colleges and business groups, while critics question the payoff for short-term programs.

By [Andrew Kreighbaum](#)

July 8, 2019



Senator Tim Kaine, a Virginia Democrat and co-sponsor of the JOBS Act

Democratic presidential candidates are [spending another election cycle](#) debating the merits of free college. But in Washington, a fight is brewing over whether federal student aid should be available to people who pursue short-term training to land better jobs.

Students currently can use Pell Grants, the primary vehicle for federal need-based aid, for college degrees as well as certificate programs that last as little as 15 weeks.

Bipartisan legislation backed by community college and business groups would make certificate programs -- even non-credit-bearing courses -- as short as eight weeks eligible for Pell Grants. Supporters of the bill, dubbed the [JOBS Act](#), say it would make an overdue change to better tailor the design of the federal aid system to the demands of adult students. It would also exclude for-profit institutions, which have been some of the biggest [targets of criticism](#) aimed at the short-term credential sector.

But the bill also would be a significant reorientation of the Pell program from largely supporting low-income students who are pursuing a college degree to backing job training as well. Some scholars and policy advocates are questioning the wisdom of that change, without more clear findings of the potential payoff for short-term credentials. They also worry what such a shift will mean for the strength of the Pell program in the future as it is stretched to serve more purposes.

As backers build a drumbeat of support for expanding Pell Grant eligibility, skeptics are starting to raise concerns in [op-eds](#) and meetings with lawmakers, setting up another key debate over the direction of postsecondary education as negotiators try to advance the reauthorization of the Higher Education Act.

“This is a significant shift in the nature of the program,” said Mary Alice McCarthy, director of the Center on Education and Skills at New America. “It means now it would both be helping people pay for college and also doubling as probably as our largest fund for job training. That’s a tectonic shift.”

Proponents of expanding Pell Grant eligibility to short-term programs say training in high-demand industries will help students land better jobs soon, not after several semesters or a years-long commitment to earning a college degree. It’s an argument that matches many of Education Secretary Betsy DeVos’s statements about the importance of alternatives to a four-year degree.

Prominent business groups [have named](#) Pell Grants for short-term programs as a top priority for the Higher Education Act. The Trump administration also has [thrown its support](#) behind the proposal. In Congress, the bill has attracted support from both sides of the aisle.

Senator Tim Kaine, a Virginia Democrat and a co-sponsor of the JOBS Act [legislation](#), said in a written statement that students at community colleges in his state, especially adults with families, are increasingly signing up for shorter-term career and educational training.

“We need to broaden our definition of higher education to include quality career and technical programs, and we have to make sure that federal policy supports this kind of learning, too,” Kaine said in a statement. “So the idea behind the JOBS Act is to be more flexible with Pell Grants and allow students to use them for high-quality career and technical classes if they want to.”

Some higher ed policy advocates, however, say whether skills are in demand and whether they lead to well-paid jobs are different questions.

“Just because a job is in demand doesn’t mean it’s going to be a good job with a living wage,” said Lanae Erickson, senior vice president for social policy and politics at the think tank Third Way.

While the group hasn’t taken a position on the JOBS Act, Erickson said Third Way is supportive of the concept of short-term Pell. But it wants to see protections included that would ensure students get a return on their investment.

Kaine said his bill would do that by requiring that credentials are recognized by employers and meet the needs of industry in state and local economies. It would also require approval of programs from state work-force boards and the U.S. Department of Education. And the legislation excludes for-profit institutions from accessing the grants.

For-profits have a significant footprint among institutions that offer certificate programs, although much of the sector has been in a years-long tailspin.

Those institutions also made up the bulk of programs that failed the Obama administration’s gainful-employment rule in data released in 2017.

(DeVos [repealed](#) the rule last week in a move criticized by consumer advocates.) But Erickson noted that many colleges outside the for-profit sector also have posted lackluster results on metrics like graduation rates and student loan repayment.

“Many nonprofit and public schools have had pretty bad outcomes as well,” Erickson said. “We’re putting a lot of faith in the public and nonprofit sectors to do a lot of this right when we know they haven’t always up till now.”

Payoff for Short-Term Credentials

Students who enroll in short-term training programs are for the most part the same kind of students who enroll in career education programs that were subject to the gainful-employment rule -- typically older, less affluent and more likely to be from minority groups than students who enroll at four-year colleges.

McCarthy said the U.S. higher ed system already has serious issues with stratification. Opening Pell Grant eligibility to short-term programs could worsen the problem, she said, by encouraging colleges to offer more short-term programs with little connection to real college degree pathways.

“This could really have the potential to exacerbate some of our equity problems,” she said.

Kermit Kaleba, managing director of policy at the National Skills Coalition, which has made short-term Pell a priority, said the students served by those programs -- usually older, working adults -- currently have low participation rates in traditional higher ed. The federal government should be just as willing to invest in a student who wants to get a welding or health certification as a four-year degree, he said.

“We are leaving out a lot of lower-skill, low-wage workers for whom moving from \$10 an hour to \$15 an hour makes a real life difference,” Kaleba said.

“There are a lot of folks particularly at the lower end of the wage scale for whom incremental wage gains are significant.”

Proponents and skeptics of short-term Pell reach remarkably different conclusions from a handful of studies on the value of short-term credentials.

Davis Jenkins, a senior research scholar at the Community College Research Center at Columbia University's Teachers College, said short-term certificates always have had minimal value for students, especially if they're entering the work force without experience. And since the Great Recession, he said, the labor market return on even longer-term certificates has declined relative to degrees.

"The problem is the jobs you can get with those short-term certificates don't pay enough in wages and benefits to make it worth the public's investment," Jenkins said.

Supporters of the bill have cited a Georgetown Center on Education and the Workforce study that found strong payoffs for some certificate programs. Kaine's office said data from Virginia show students who got short-term credentials at community colleges have seen annual wage increases of 20 to 50 percent.

McCarthy said the Virginia Fast Forward program, which connects students to employment quickly through short-term training, is to some extent the best-case scenario for such an approach. Many of the program's graduates enter fields like welding or truck driving.

Those jobs tend to have very high turnover rates, McCarthy said, in part because they're physically demanding.

"They're all hard jobs to move up from," she said.

The JOBS Act requires that colleges create clear pathways so students can accumulate short-term credentials on their way to eventually earning a degree. Ideally, students get a better-paying job after one eight-week

program, then return to the college as their campus allows them to continue progress toward a degree by “stacking” their credentials. And supporters of the legislation say exposing students to college for the first time can lead them to return when they see real benefits.

But Jenkins said research suggests few students who get certificates go on to get degrees.

“It turns out students don’t stack,” he said. “Skills training is not integrated into degree programs.”

Big Bet on Community Colleges

If the JOBS Act is placing a large wager on the value of short-term credentials, it’s also betting big on the ability of community colleges to build programs that will lead students to employment quickly, and allow them to return and continue accumulating credits toward a degree.

David Baime, senior vice president for government relations and policy analysis at the American Association of Community Colleges, said many community colleges already offer the kinds of short-term programs that would be eligible for Pell funds under the JOBS Act.

“The colleges are legitimately trying to respond to the needs of local employers and, to some extent, broader regional trends,” he said.

Almost all of those programs, Baime said, have advisory panels for specific industries, and most have to go through an approval process at the state level. The JOBS Act would apply standards that will be a challenge for many programs to meet, he said.

“This is not a proposal that was whipped up in Washington, D.C.,” he said.

“This is a program that comes from our field, our member presidents and work-force teams who emphasize the fact that we are offering more programs to get people into the work force quickly and that the financial burdens are acute for many of them.”

But at some campuses, trepidation about the quality of credential comes along with excitement about new potential funding for job training. Pam Eddinger, president of Bunker Hill Community College, said about three-quarters of the students at her college work. If they can get a job in their field of interest, she said, it eases the financial burden of attending classes. But Eddinger said that covering significant material in eight weeks is a challenge. And that time frame leaves little opportunity for general education in everything from writing to quantitative skills. Many students are academically behind when they arrive on campus. And the critical thinking skills that longer-term academic programs would provide are valuable to workers, she said.

Eddinger also worried about short-term credentials being offered as a “silver bullet” for good-paying jobs.

“You want that immediate alleviation for low-skill, low-wage workers and to open opportunities for students looking for good jobs,” she said. “But we’ve got to plan farther than eight weeks. It can’t be the end-all and be-all.”

Read more by [Andrew Kreighbaum](#)

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