

THE GROWING IMPACT OF NEW PELL GRANT FUNDING: A Statewide Profile of Iowa's Community Colleges

**A research project of the Education Policy Center at
The University of Alabama and Iowa State University,
conducted under the auspices of the National Rural Scholars Panel of the
Rural Community College Alliance**

by

Stephen G. Katsinas
Director and Professor, Education Policy Center
The University of Alabama

Linda Serra Hagedorn
Associate Dean for Undergraduate Programs, Diversity, Equity, and Community, and Student Services,
Iowa State University

R. Frank Mensel
Senior Fellow, Education Policy Center
The University of Alabama

Janice N. Friedel
Professor
California State University Northridge

With the assistance of Joyce Lui, Dustin Smith, Melissa Tarrant, Rhonda Kilgo, and Chad Clark

June 2011



California State University
Northridge



June, 2011

Dear Friends:

It is my pleasure to convey *The Growing Impact of New Pell Grant Funding: A Statewide Profile*.

This research project is sponsored by the Education Policy Center at The University of Alabama, Iowa State University, and California State University Northridge under the auspices of the National Rural Scholars Panel of the Rural Community College Alliance. The goal of RCCA's National Rural Scholars Panel is to bring non-partisan cutting-edge research on key issues of concern to federal and state leaders on community college issues, with special emphasis on rural community colleges.

This report was authored by Stephen G. Katsinas, Director, Education Policy Center and project director, Dr. Linda Serra Hagedorn of Iowa State University, Frank Mensel, Senior Fellow at the Education Policy Center, and Dr. Janice N. Friedel of California State University-Northridge, with the assistance of graduate students from each university. Dr. Katsinas also serves as the President of the Council for the Study of Community Colleges, Dr. Hagedorn is President of the Association for the Study of Higher Education, Mr. Mensel is former Vice President of Government Affairs for the American Association of Community Colleges, and Dr. Friedel is the former state director of Iowa's community colleges.

More than 200 urban, suburban, and rural community colleges responded to our survey. Given the many surveys they receive each day, why the enthusiastic response from college CEOs?

The answer is that state community college directors, college presidents, and campus financial aid directors of the 557 rural community and 40 tribal colleges that the Rural Community College Alliance represents, and our urban and suburban colleagues as well, know full well the vital role Pell Grants play.

They see every day how Pell Grants help academically talented, economically disadvantaged students access and succeed in higher education, as they pursue their American Dream.

They know President George W. Bush was right when he said, "Pell grants make it possible for people from all walks of life to afford a college education. Pell grants send an important message to students in need: If you work hard and you stay in school and you make the right choices, the Federal Government is going to stand with you. That's what a Pell grant says."

They know making the Pell Grant year-round has been a bipartisan federal policy goal for some 20 years.

And they know that developing our human capital is their job, indeed their mission. They know the Pell Grant program is our nation's leading driver and enabler to help community colleges develop America's most important asset--and in particular, rural America's most important asset--its human capital.

Thanks to Drs. Katsinas, Hagedorn, Mensel, and Friedel for their efforts, and to the colleges and state offices for responding. Please let me know if we can ever be of assistance to you.

Sincerely,

Randy Smith, Ph.D.
President, Rural Community College Alliance



The Rural Community College Alliance National Scholars Panel

The Rural Community Colleges Research Panel's goal is to bring critical issues and policy on access to rural higher education and sustainable rural development to the attention of rural people and policymakers at state and federal levels. This panel is a joint program of the Rural Community College Alliance and the Education Policy Center at The University of Alabama, and the attached study is the first major study conducted under the auspices of both organizations. We launched this study because recent research has shown that since 2000, rural community college enrollment growth was highest among all community college types, and because studies show them to be the most highly aided students. The panel includes:

Brent D. Cejda, Executive Director, National Council of Instructional Administrators, and Associate Professor, University of Nebraska

Allen Cissell, former Program Specialist, Office of Community College Liaison, US Department of Education, Carbondale, Illinois

Ed Davis, Associate Professor, Mississippi State University

David M. Deggs, Assistant Professor of Workforce Development, University of Arkansas

Pamela Eddy, Associate Professor, College of William and Mary

Dennis Golladay, Vice Chancellor for Community Colleges, State University of New York

Linda Serra Hagedorn, Associate Dean, College of Human Sciences, Iowa State University and President, Association for the Study of Higher Education

Cliff Harbour, Associate Professor, University of Wyoming

Michael A. Kennamer, Director of Workforce Development and Skills Training, Northeast Alabama Community College

John Clinton Kinkead II, Assistant Professor, Dalton State College

Jay Leist, Assistant Professor, Texas A & M University-Commerce

Frank Mensel, former Vice President of Governmental Affairs, American Association of Community Colleges and Senior Fellow, Education Policy Center, Plano, Texas

Michael T. Miller, Professor of Higher Education, University of Arkansas

Regina Garza Mitchell, Assistant Professor, Educational Leadership, Central Michigan University

John P. Murray, Professor, Advanced Studies in Education and Counseling, California State University-Long Beach

Juanita Gamez Vargas, Assistant Professor, University of Oklahoma

Marty Wiseman, Director, Stennis Institute of Government, Mississippi State University

Randy Smith, President, Rural Community College Alliance (ex-officio)

Stephen G. Katsinas (Chair), Professor and Director, Education Policy Center, The University of Alabama; President, Council for the Study of Community Colleges

ABOUT THE STUDY

The University of Alabama launched the Education Policy Center to provide nonpartisan research on key policy issues, including postsecondary access and student financial aid, with special emphasis on the use of historical analysis. Education Policy Center Associate Director Wayne J. Urban's 2010 book, *More Than Science and Sputnik, the National Defense Education Act of 1958*, documents the passage of the NDEA and how Sputnik impacted federal education policy. Other ongoing Center projects include: (1) The University of Alabama Superintendents' Academy, (2) Professional Development Program for School Superintendents and College Professors; (3) Our annual surveys of members of the National Council of State Directors of Community Colleges have obtained responses from nearly every state in 2008, 2009 and 2010; (4) the Carnegie Basic Classification of Associate's Colleges; developed initially by the late Clark Kerr, the largest sector, Associate's Colleges, was not classified until its 2005 Basic Classification. Katsinas, Senior Fellow Vincent Lacey, and EPC Director of Research David Hardy are Consulting Scholars to the Carnegie Foundation to assist with this ongoing project; (5) The Alabama College Transfer Advising Corps, one of 10 national demonstration programs funded by Jack Kent Cooke Foundation as part of the National College Advising Corps, a nationwide consortium of colleges and universities that aims to increase the number of low-income, first-generation, and under-represented students entering and completing higher education (ACTAC is the only demonstration program working solely with community colleges. (6) Projecting College and University Enrollments, 1996 to 2025. This EPC report, to be released later in 2011, will present state-by-state data on traditional (ages 18-24), young adults (25-34), and older adults (ages 35-64) from 1996 to 2025. For more information about the Center, please visit our website at <http://uaedpolicy.weebly.com/index>

The Center's interest in community colleges stems from their evolution into the largest and fastest growing branch of undergraduate enrollment in our country. This interest includes two components: First, into rural community colleges, which had moved into the forefront of community college growth; and second, into federal student financial aid, which clearly was fueling that growth. To the first, the development of this survey of community colleges was designed to document the impact, if any, of the new Pell funding on access. To the second, we will analyze data received using the new Carnegie Foundation for the Advancement of Teaching 2005 Basic Classification of Associate's Colleges. To accomplish this survey, we enlisted partners via the Rural Community College Alliance' National Scholars Panel.

The survey was conducted in summer through winter of 2010. Selected state directors of community colleges were contacted to assist in disseminating and collecting survey responses. In some states, responses were obtained directly from the state director's office (Florida, Kentucky, Washington, New Hampshire, Louisiana, Rhode Island); in others (Iowa, Colorado, North Dakota and Wyoming), responses were obtained directly from individual community colleges. Responses from nearly 200 community colleges were received. As Iowa data were reported by individual colleges, the data here may vary from state issued reports. We thank Dr. Robert Denson, President of Des Moines Area Community College, for his assistance in garnering support and participation from Iowa's community colleges. Any errors in tabulation of data are our responsibility alone.

Stephen G. Katsinas Linda Serra Hagedorn R. Frank Mensel Janice N. Friedel

IOWA EXECUTIVE SUMMARY

“We're living in a global economy. And we've got to stay competitive as we head into the 21st century, and the best way to stay competitive is to make sure people have access to good education. Pell grants send an important message to students in need: If you work hard and you stay in school and you make the right choices, the Federal Government is going to stand with you. That's what a Pell grant says.

“I wish we could make the Pell grant process last year round...That recognizes the realities for Pell grant recipients.”

--PRESIDENT GEORGE W. BUSH, SEPTEMBER 27, 2007

Table 1				
Summary of Enrollment and Pell Awards in Numbers and Dollars				
at Community Colleges in Iowa:				
2008-2009 and 2009-2010				
Term	YEAR		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
Enrollment	157,236	176,477	19,241	12%
Pell Awards	35,555	62,205	26,650	75%
	\$84,616,438	\$158,318,967	\$73,702,529	87%
Pell Awards as a Percentage of Total Enrollment	23%	35%		
Source: Analysis by The University of Alabama Education Policy Center of data obtained from community colleges in Iowa.				
Notes: (1) Enrollments are Unduplicated Headcount Student Enrollments. (2) Summer Pell Awards include both Pell I and the new Pell II awards authorized by April 2010 federal legislation.				

Key Findings

During the decade of 2000-2010, Iowa’s population increased by 3%. While 89.8% of the state’s population is Non-Hispanic White (Bureau of Labor Statistics, U.S. Department of Labor, 2011), Iowa’s population growth has been fueled by new immigrants to the state and their families. While Iowa’s unemployment rate at 6.3% ranks 44th (one of the lowest unemployment rates in the country), community college enrollments continue to grow. Key findings from this study include:

1. Unduplicated headcount enrollments in Iowa’s community colleges increased 12% from

2008-2009 to 2009-2010, while the percentage of total unduplicated students enrolled on Pell grants increased from 23% in 2008-2009 to 35% in 2009-2010. Total full-time equivalent (FTE) students increased 15% from 2008-2009 to 2009-2010 while the percentage of total FTE students enrolled on Pell grants increased from 39% to 60%. These factors support the intent of the new Pell funding in encouraging full-time enrollment and decreasing the time-to-degree completion.

2. That 60% of the 2009 - 2010 full-time enrolled students on Pell grants, is indicative that Iowa's community colleges are serving a student population whose majority are those for whom the Pell grant is intended: academically talented, economically disadvantaged students.
3. That FTE enrollment increased at rate higher than the increases in unduplicated headcount enrollment suggests that the expanded Pell funding, particularly in Summer, is accomplishing the bipartisan policy goal of lowering time-to-degree for academically talented, economically disadvantaged students.
4. The enrollment increases, combined with lower average net costs after Pell Grant increases, strongly suggests the new Pell funding is accomplishing the bipartisan policy goal of dramatically lowering the marginal cost of attendance, particularly in summer.

THE GROWING IMPACT OF NEW PELL GRANT FUNDING: A Statewide Profile of Iowa's Community Colleges

*A research project of the Education Policy Center at the University of Alabama,
Iowa State University,*

*The National Rural Scholars Panel of the Rural Community College Alliance
Prepared by Stephen G. Katsinas, Director, Education Policy Center¹*

Introduction

Beginning in 2007, Congress and two successive presidents have worked to turn around the long-term decline in the purchasing power of the Pell Grant, the nation's key program for college attendance and successful graduation for academically talented, low-income students. In his 2005 State of the Union Address, President George W. Bush pledged "...we will make it easier for Americans to afford a college education by increasing the size of Pell grants" (Bush, 2005). At the signing ceremony for the 2007 College Cost Reduction and Access Act, President Bush again spoke to the value of the Pell Grant program and the need for it to include summer:

...We're living in a global economy. And we've got to stay competitive as we head into the 21st century, and the best way to stay competitive is to make sure people have access to good education.

And one of the best ways to make higher education affordable is through Pell grants. Pell grants make it possible for people from all walks of life to afford a college education. Pell grants send an important message to students in need: If you work hard and you stay in school and you make the right choices, the Federal Government is going to stand with you. That's what a Pell grant says.

...I wish we could make the Pell grant process last year round. I think that would be helpful. I want to work with the Members of Congress to see if we can't get that done. That recognizes the realities for Pell grant recipients.

--PRESIDENT GEORGE W. BUSH, SEPTEMBER 27, 2007

Under President Barack Obama, Pell Grant funding was expanded through the American Recovery and Renewal Act (February, 2009), the Higher Education Opportunity Act of 2010, and the Health Care and Education Affordability Act of 2010:

Now, to help open the doors of higher education to more students, we'll also reinvest part of that \$68 billion in savings in Pell grants, one of the most popular forms of financial aid. Pell grants once covered more than three-quarters of the cost of going to college. But now, because the cost of college has skyrocketed, the amount Pell grants cover is about one-third.

Today students hoping to attend college on a Pell grant are going to be able to feel more secure because not only are we going to offer over 800,000 additional Pell awards over the next 10 years, we're also going to raise the amount they're worth to almost \$6,000, so that inflation does not erode the value of your grant.

And we'll put the entire Pell grant program on firmer footing for years to come. Altogether, we are more than doubling the amount of Pell grant.

--PRESIDENT BARACK OBAMA, MARCH 30, 2010

¹ The authors wish to thank the Iowa Department of Education, Division of Community Colleges and Workforce Preparation, for their encouragement of the state's community colleges to participate in this research project. Any mistakes of transcription or interpretation of the data are their responsibility alone.

The University of Alabama's Education Policy Center under the leadership of Dr. Steve Katsinas, Dr. Linda Serra Hagedorn of Iowa State University, Frank Mensel, Senior Fellow at the Education Policy Center, and Dr. Janice N. Friedel of California State University Northridge, with the assistance of graduate students from the University of Alabama and Iowa State University, are working to assess the impact of the new Pell Grant funding, and particularly the new Summer Pell funding. The project is sponsored by their respective institutions and conducted under the auspices of the National Rural Scholars Panel of the Rural Community College Alliance. To date, nearly 200 community colleges have responded to what we believe is one of the first national studies of this new program.

Our interest was spurred by a late May 2009 visit to the Pickens County Center of Bevill State Community College in Alabama. Located in one of the poorest counties in our nation--Pickens County lies in both the Appalachian Regional Commission and Delta Regional Authority, there we saw a long line of students signing up for the new Summer Pell funding (see picture in Attachment One). Later we found that between the summer of 2009 and the summer of 2010, Bevill's Full-Time Equivalent (FTE) enrollment grew by a greater percentage than its unduplicated headcount enrollment, a highly unusual occurrence at a community college. Stephen Katsinas' University of Alabama Summer 2010 Gadsden Center graduate class, "The Community College," co-instructed by Michael A. Kennamer and J. Clinton Kinkead, took on as a class assignment further research. A survey instrument to collect institutional data that will eventually be reported by colleges to the National Center for Education Statistics/Integrated Postsecondary Education Data System, but not for up to two years (making it largely irrelevant in the public policy domain) was developed and pilot tested. This survey could be filled out by financial aid officers in 20 minutes. Preliminary results from the pilot test for two Alabama rural community colleges, as classified by the Carnegie Foundation for the Advancement of Teaching's 2005 Basic Classification of Associate's Colleges, revealed the same phenomenon found at Bevill State--that percentage growth of FTE enrollment exceeds unduplicated headcount enrollment growth. Approval for the survey was obtained from The University of Alabama's Institutional Review Board. Thus, the purpose of our study is to learn if the phenomenon observed at Bevill's Pickens County Center of FTE enrollment increasing at levels higher than unduplicated headcount enrollment occurred, as this would mean the new Pell funding likely has shortened time-to-degree, a major bipartisan national policy goal.

A letter soliciting responses was sent to selected members of the National Council of State Directors of Community Colleges (Katsinas has been involved with statewide studies of community colleges since 2003, and Friedel is a former state community college director in Iowa). Full state results have been obtained from ten states -- Iowa, Florida, Kentucky, Wyoming, Washington, Rhode Island, North Dakota, Louisiana, Colorado and New Hampshire. Institutions from many other states have participated, bringing the total to nearly 200. It is anticipated state profiles for each of the abovementioned states will be generated. In addition, the new Carnegie Foundation for the Advancement of Teaching's 2005 Basic Classification, which for the first time geographically classifies community colleges into urban, suburban, and rural subcategories, will allow development of additional policy analysis, as community college service delivery areas, like congressional districts, are typically assigned statutorily. The research team plans to present preliminary findings in Washington, DC, at a meeting sponsored

by the Rural Community College Alliance on February 16, 2011, with final results to be issued on Thursday, February 24, 2011.

The seven tables below are a preliminary statewide analysis for Iowa's community colleges, comparing the regular nine month calendar year, summer only, and the entire calendar year for 2008-2009 and 2009-2010. That total Pell awards jumped by 26,650 or 75% in just one year, and dollars awarded increased from \$84.6 million to \$158 million underscores the Pell Grant program's impact as a key human resource driver as our nation recovers from a deep recession. The tables that follow show the significant one-year change for the year, and for summer only:

ACROSS IOWA'S COMMUNITY COLLEGES FOR THE CALENDAR YEAR:

- The number of Pell Grant awards in the 12-month calendar year increased from 35,555 in 2008-2009 to 62,205 in 2009-2010, an increase of 26,650 or 75% in just one year (Table 1). Total dollars awarded increased from \$84,616,438 awarded in 2008-2009 to \$158,318,967 in 2009-2010, an increase of \$73,702,529 or 87% (Table 1).
- Total unduplicated headcount enrollment increased from 157,236 to 176,477 students statewide, an increase of 19,241 or 12%. The percentage of unduplicated students enrolled on Pell Grants increased from 23% in 2008-2009 to 35% in 2009-2010 (Table 1).
- Total Full-Time Equivalent (FTE) enrollment jumped from 91,170 to 104,503, an increase of 13,333 students or 15%. The percentage of FTE students enrolled on Pell Grants increased from 39% in 2008-2009 to 60% in 2009-2010 (Table 3).
- The average 12-month Cost of Attendance, between 2008-2009 and 2009-2010, rose from \$6,220 to \$6,533, an increase of \$313 per student or 5%. During this same period, the Average Value of a Pell Grant for a year-round student rose from \$3,735 to \$4,543, an increase of \$808 or 22%. ***The higher enrollments and lower average net costs strongly suggest that growing Pell Grant funding has lowered the marginal cost of attendance for academically talented, low-income students to access Iowa's community colleges.***

ACROSS IOWA'S COMMUNITY COLLEGES FOR SUMMER ONLY:

- Total unduplicated headcount enrollment for Summer increased from 37,609 to 42,292 students, an increase of 4,683 or 12%. Pell Grant awardees as a percentage of the total unduplicated summer enrollment rose from 19% to 51% (Table 2).
- The number of Summer Pell Grant awards increased from 6,983 to 21,517, an increase of 14,534 awards or 208%. By dollar volume, Pell I awards rose from \$7,148,052 to \$20,235,346, an increase of \$13,087,294 or 183%, and new Pell II (summer only) added \$9,549,839 in 2009-2010, bringing the Summer 2010 total (Pell I + Pell II) to \$29,785,185, an increase over 2008-2009 of \$22,637,133 or 317%.

Table 2				
Impact of New Pell Grant Funding on Unduplicated Headcount Enrollments at Community Colleges in Iowa: 2008-2009 and 2009-2010				
<i>(for credit enrollments only)</i>				
	ACADEMIC YEAR <i>(9 Months-Fall/Winter/Spring)</i>		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
Unduplicated Headcount Enrollment	119,627	134,185	14,558	12%
Pell Grant Awards (Pell I)	28,572	40,688	12,116	42%
Pell Grant Awards (Pell I) as a Percentage of Total Academic Year Unduplicated Headcount Enrollment	24%	30%		
	SUMMER		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
Unduplicated Headcount Enrollment	37,609	42,292	4,683	12%
Pell Grant Awards (Pell I)	6,983	14,899	7,916	113%
Pell II (Summer Pell ONLY)		6,618		
Pell I + II <i>(Sub-Total, ALL Summer Pell Awards)</i>	6,983	21,517	14,534	208%
Pell Grant Awards as a Percentage of Total Summer Unduplicated Headcount Enrollment	19%	51%		
	CALENDAR YEAR		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
Unduplicated Headcount Enrollment	157,236	176,477	19,241	12%
Pell I Grant Awards - 9 months	28,572	40,688	12,116	42%
Pell I - Summer	6,983	14,899	7,916	113%
Pell II - Summer		6,618		
Pell I + II - Total Summer Pell	6,983	21,517	14,534	208%
Total Pell, 12 month calendar year	35,555	62,205	26,650	75%
ALL Pell Grant Awards as a Percentage of Total Annual Unduplicated Headcount Enrollment	23%	35%		

Source: Analysis by The University of Alabama Education Policy Center of data obtained from community colleges in Iowa.

Note: Under the heading "Pell I + Pell II (Sub-Total, ALL Summer Pell Awards)", the 21,517 figure is not an unduplicated number, as some of the 6,618 may have received both types of Pell awards.

Table 3				
Impact of New Pell Grant Funding on Full-Time Equivalent Enrollments at Community Colleges in Iowa: 2008-2009 and 2009-2010				
<i>(for credit enrollments only)</i>				
	ACADEMIC YEAR <i>(9 Months-Fall/Winter/Spring)</i>		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
FTE Enrollment	65,170	73,573	8,403	13%
Pell Grant Awards (<i>Pell I</i>)	28,572	40,688	12,116	42%
<u>Pell Grant Awards (<i>Pell I</i>) as a Percentage of Total Academic Year FTE Enrollment</u>	44%	55%		
	SUMMER		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
FTE Enrollment	26,000	30,930	4,930	19%
Pell Grant Awards (<i>Pell I</i>)	6,983	14,899	7,916	113%
Pell II Awards (<i>Summer Pell ONLY</i>)		6,618		
Pell I +Pell II <i>(Sub-Total: ALL Summer Pell Awards)</i>	6,983	21,517	14,534	208%
<u>Pell Grant Awards as a Percentage of Total Summer FTE Enrollment</u>	27%	70%		
	CALENDAR YEAR		Change	
	2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
FTE Enrollment	91,170	104,503	13,333	15%
Pell I Grants - 9 months	28,572	40,688	12,116	42%
Pell I - Summer	6,983	14,899	7,916	113%
Pell II - Summer		6,618		
Pell I + II - Summer Pell, Sub-Total	6,983	21,517	14,534	208%
Total Pell, 12 month calendar year	35,555	62,205	26,650	75%
<u>ALL Pell Grants as a Percentage of Total Annual FTE Enrollment</u>	39%	60%		

Source: Analysis by The University of Alabama Education Policy Center of data obtained from community colleges in Iowa.

Note: Under the heading "**Pell I +Pell II** (Sub-Total, ALL Summer Pell Awards)", the 21,517 figure is not an unduplicated number, as some of the 6,618 may have received both types of Pell awards.

Table 4					
Dollar Volume of New Pell Grant Funding in Dollars					
at Community Colleges in Iowa: 2008-2009 and 2009-2010					
Term	Type of Pell Grant	YEAR		Change	
		2008-2009	2009-2010	Dollars	Percent
Academic Year (9-months)	<i>Pell I</i>	\$77,468,386	\$128,533,782	\$51,065,396	66%
Summer	<i>Pell I</i>	\$7,148,052	\$20,235,346	\$13,087,294	183%
	<i>Pell II</i>		\$9,549,839		
Summer, Total	<i>Pell I + Pell II</i>	\$7,148,052	\$29,785,185	\$22,637,133	317%
Total, Calendar Year	<i>Pell I + Pell II</i>	\$84,616,438	\$158,318,967	\$73,702,529	87%
Source: Analysis by The University of Alabama Education Policy Center of data obtained from Iowa community colleges.					

- The Average Cost of Attendance for Summer rose from \$1,779 to \$1,849, an increase of \$71 or 4%, while the Average Pell Award Per Student rose from \$1,024 to \$1,384, an increase of \$361 or 35%. Thus, the Average Dollar Value of Tuition & Fees, and Books & Supplies remaining AFTER the Average Pell Award decreased from \$755 in 2008-2009 to \$465 in 2009-2010, a decrease in average dollars of \$290 or 38%. These striking enrollment increases strongly suggest that the new Summer Pell funding is lowering the marginal cost of attendance for community college students (Table 5).

To assess the impact of the new Pell funding on Summer Enrollment, when data on Pell Grants awarded are placed next to enrollment, expressed both by unduplicated headcount and FTE enrollment (Table 6), a striking picture emerges:

- The Pell Grant awardees in 2008-2009 accounted for 19% of the total Summer unduplicated headcount enrollment of 37,609, while the Pell Grant awardees in 2009-2010 account for 51% of the total of 42,292 unduplicated headcount students enrolled.
- The Pell Grant awardees in 2008-2009 accounted for 27% of the total Summer FTE enrollment of 26,000, while the Pell Grant awardees in 2009-2010 account for 70% of the total of 30,930 FTE students enrolled.

Table 7 shows the unduplicated headcount enrollment figures for each of Iowa's community colleges, as well as Pell Grant awards, presented in both number of awards and dollars.

Table 5				
Changes in Average Tuition & Fees, and Books & Supplies				
Covered by the New Pell Grant Funding at Community Colleges in				
Iowa: 2008-2009 and 2009-2010				
ACADEMIC YEAR	2008- 2009	2009- 2010	Change	
			Dollars	Percent
Average Tuition and Fees (12 hours)	\$3,420	\$3,607	\$187	5%
Average Books and Supplies	\$1,021	\$1,076	\$55	5%
Average Total Cost of Attendance	\$4,441	\$4,683	\$242	5%
Average Pell I Award Per Student	\$2,711	\$3,159	\$448	17%
Average Dollar Amount of Tuition & Fees, and Books & Supplies Remaining <u>AFTER</u> Pell Award	\$1,730	\$1,524	-\$205	-12%
Average Percentage of Tuition & Fees, and Books & Supplies Remaining <u>AFTER</u> Pell Award	39%	33%		
SUMMER	2008- 2009	2009- 2010	Change	
			Number	Percent
Average Tuition and Fees (12 hours)	\$1,372	\$1,412	\$39	3%
Average Books and Supplies	\$406	\$438	\$31	8%
Average Cost of Attendance, Summer	\$1,779	\$1,849	\$71	4%
Average Pell Award Per Student	\$1,024	\$1,384	\$361	35%
Average Dollar Value of Tuition & Fees, and Books & Supplies Remaining <u>AFTER</u> Average Pell Award(s)	\$755	\$465	-\$290	-38%
Average Percentage of Tuition & Fees, and Books & Supplies Remaining <u>AFTER</u> Average Pell Award(s)	42%	25%		
CALENDAR YEAR	2008- 2009	2009- 2010	Change	
			Number	Percent
Average Tuition and Fees (12 hours)	\$4,793	\$5,019	\$226	5%
Average Books and Supplies	\$1,427	\$1,514	\$87	6%
Cost of Attendance, 12 months	\$6,220	\$6,533	\$313	5%
Average Pell Value Per 12 Months Student	\$3,735	\$4,543	\$808	22%
Average Dollar Value of Attendance Costs Remaining <u>AFTER</u> Pell Award(s)	\$2,485	\$1,989	-\$495	-20%
Average Percentage of Attendance Costs Remaining <u>AFTER</u> Pell Award(s)	40%	30%		
Source: Analysis by The University of Alabama Education Policy Center of data obtained from the Iowa Dept. of Education and IPEDS. Notes: (1) Average Pell Award Per Student is calculated by dividing the total dollar amount of Pell grants awarded at the institution by the total number of students receiving Pell awards. (2) Percentage of Remaining Cost of Attendance After Pell is calculated by dividing the cost of attendance per year by the cost of attendance remaining after Pell award.				

Table 6					
New Pell Funding and Summer Enrollment at Iowa Community					
Colleges: Total Summer Pell Grant Awards for 2008-2009 and 2009-2010:					
Comparing Unduplicated Headcount and Full-Time Equivalent Enrollments					
SUMMER PELL GRANTS		YEAR		CHANGE	
		2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
Pell I	<i>Dollar Value of Awards</i>	\$7,148,052	\$20,235,346	\$13,087,294	183%
	<i>Number of Awards</i>	6,983	14,899	7,916	113%
Pell II	<i>Dollar Value of Awards</i>		\$9,549,839		
	<i>Number of Awards</i>		6,618		
Pell I+II	<i>Dollar Value of Awards</i>	\$7,148,052	\$29,785,185	\$22,637,133	317%
	<i>Number of Awards</i>	6,983	21,517	14,534	208%
<hr/>					
SUMMER PELL GRANTS & UNDUPLICATED HEADCOUNT ENROLLMENT		YEAR		CHANGE	
		2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
<i>Unduplicated Headcount Enrollment</i>		37,609	42,292	4,683	12%
Pell I	<i>Number of Awards</i>	6,983	14,899	7,916	113%
Pell II	<i>Awards, Summer ONLY</i>		6,618		
Pell I+II	<i>All Summer Awards</i>	6,983	21,517	14,534	208%
Pell Grant (I+II) Awardees as a Percentage of Total Unduplicated Summer Enrollment		19%	51%		
<hr/>					
SUMMER PELL GRANTS & FTE ENROLLMENT		YEAR		CHANGE	
		2008-2009	2009-2010	<i>Number</i>	<i>Percent</i>
<i>Full-Time Equivalent Enrollment</i>		26,000	30,930	4,930	19%
Pell I	<i>Number of Awards</i>	6,983	14,899	7,916	113%
Pell II	<i>Awards, Summer ONLY</i>		6,618		
Pell I+II	<i>All Summer Awards</i>	6,983	21,517	14,534	208%
Pell Grant (I+II) Awardees as a Percentage of Total Full-Time Equivalent Summer Enrollment		27%	70%		
Source: Analysis by The University of Alabama Education Policy Center of data obtained from the Iowa Dept. of Education, Div. of Community Colleges and Workforce Preparation.					
Note: Under the heading " Pell I +Pell II (Sub-Total, <u>ALL</u> Summer Pell Awards)", the 21,517 figure is not an unduplicated number, as some of the 6,618 may have received both types of Pell awards.					

**Table 7: Unduplicated Headcount and Pell Grant Awards in numbers and dollars at Iowa community colleges,
2008-2009 & 2009-2010**

College	Unduplicated Headcount Enrollment			Pell Grant Awards					
	2008-2009	2009-2010	Change	Number			Dollars		
				2008-2009	2009-2010	Change	2008-2009	2009-2010	Change
Des Moines Area Community College	40,251	46,275	6,024	7,311	13,465	6,154	\$16,314,201	\$34,916,413	\$18,602,212
Eastern Iowa Community College District	15,337	17,652	2,315	3,173	5,545	2,372	\$7,147,629	\$13,567,478	\$6,419,849
Hawkeye Community College	9,896	10,850	954	2,169	4,013	1,844	\$5,355,300	\$9,881,794	\$4,526,494
Indian Hills Community College	7,497	9,048	1,551	2,943	5,048	2,105	\$5,846,213	\$12,674,786	\$6,828,573
Iowa Central Community College	8,125	8,694	569	1,904	3,141	1,237	\$5,225,913	\$9,062,586	\$3,836,673
Iowa Lakes Community College	2,937	3,315	378	1,033	1,953	920	\$3,175,301	\$6,255,162	\$3,079,861
Iowa Valley Community College District	4,947	5,303	356	1,270	1,989	719	\$3,246,926	\$5,852,216	\$2,605,290
Iowa Western Community College	9,152	9,482	330	2,004	3,092	1,088	\$5,163,955	\$9,512,440	\$4,348,485
Kirkwood Community College	29,636	33,648	4,012	5,619	9,811	4,192	\$13,325,234	\$25,708,127	\$12,382,893
North Iowa Area Community College	6,005	6,139	134	1,187	1,663	476	\$2,910,224	\$4,707,879	\$1,797,655
Northeast Iowa Community College	8,466	9,462	996	1,786	3,830	2,044	\$4,626,382	\$9,039,265	\$4,412,883
Northwest Iowa Community College	2,450	2,935	485	312	550	238	\$838,854	\$1,498,908	\$660,054
Southeastern Community College	6,113	6,492	379	2,109	3,146	1,037	\$4,832,364	\$2,806,213	-\$2,026,151
Southwestern Community College	1,770	1,997	227	608	1,151	543	\$1,502,919	\$3,008,859	\$1,505,940
Western Iowa Tech Community College	4,654	5,185	531	2,127	3,808	1,681	\$5,105,024	\$9,826,841	\$4,721,817
Total	157,236	176,477	19,241	35,555	62,205	26,650	\$84,616,438	\$158,318,967	\$73,702,529

Source: Analysis by The University of Alabama Education Policy Center of data obtained from Iowa community colleges.

CONCLUSIONS:

In a time of continuing unemployment and very tight state budgets, the new Pell Grant funding has made a difference at community colleges across the State of Iowa. Expanded Pell Grants are helping to drive enrollment increases at community colleges, and appears to be enabling students to attend full-time, particularly in the summer, which should eventually lower the time-to-degree and improving college success rates in the state.

- 1. That the statewide increases in FTE enrollment are greater than for unduplicated headcount for both the regular academic year and for summer strongly suggests the new Pell Grant funding is accomplishing the bipartisan policy goal of lowering the time-to-degree for academically talented, economically disadvantaged students.** Put differently, by definition more students must be enrolling in more hours on a per-student basis (further analysis of this issue is definitely warranted).
- 2. The full-time enrollment (FTE) increases at Iowa's community colleges, combined with the lower average net costs after the Pell Grant increases, strongly suggests the new Pell Grant funding is accomplishing the bipartisan policy goal of lowering the marginal cost of attendance, particularly in Summer.** While these results are preliminary, the Pell Grant appears to be driving both persistence and degree completion. Clearly, these trends obviously call for additional research.

UPCOMING REPORTS:

Our research team will produce three types of reports:

- (1) individual profiles for each state for which we have full results in format similar to this report,
- (2) a report for all responding institutions taken together; and
- (3) analyze all responding community colleges taken together by geographic type of community college (rural, suburban, urban), to produce results relevant to specific congressional districts, through use of the new Carnegie Foundation for the Advancement of Teaching Associate's Colleges classifications.

The target date for the release for several of the selected state reports, and the preliminary national reports is February 16, 2011, as part of the Rural Community College Alliance's Rural Community College Day in Washington, DC. The final report is scheduled for release on Thursday, February 24, 2011.

Rural Students Clamor for New Pell Grants

Rural community colleges outnumber suburban and urban campuses, and rural community college students are the fastest growing group, too. New year-round grant opportunities appear to be drawing even more rural adults back to school.



Picture credit: Derrick Flowers and LaKetra Wright. Picture taken outside the main office at Beville State Community College's site in Carrollton, Alabama, (from right) Shanese Sullivan, Travisha Bailey, and Maresha Lacy wait with many others to apply for Pell Grants. The federal grant for college students now extends year-round, and community college enrollments are much higher than in 2009.

Enrollment at U.S. community colleges is at an all time high. This trend, beginning well before the current recession, reflects both record numbers of high school graduates and the need for adults of all ages to obtain training and retraining to meet a changing job market. Total U.S. community college enrollments jumped by 2.2 million or 30% in just five years, from 2000-1 to 2005-6.

It may come as a surprise that the community college system is, on balance, more rural

than urban. According to an analysis of [federal enrollment data](#) [5] for academic year 2005-06, of the 860 community college districts in our nation, 553 or 64% were rural. These rural community college districts enroll 37% of all two-year college students, while urban community colleges enroll only 31%.

And rural community colleges are growing faster than any other type: they grew faster (over 1 million students, a 42% increase) than urban (21%) or suburban (27%) community colleges in this same period, 2000-2006. Here is strong evidence of rural America's "pent-up" demand for degrees and lifelong learning.

But a desire for postsecondary education is not enough: you have to have the means. And for this reason the [Pell Grant](#) [6], the federal government's main scholarship offering for low-income undergraduates, is now the single most important human-resource development program for rural America.



Picture Credit:
Derrick Flowers and
LaKetra Wright.
Bevill State
Community College
has four campuses
and several outreach
centers in western
Alabama, including
Pickens County's
Carrollton Center,
which is located in
one of America's
poorest rural
counties.

Bevill State Community College, a four-campus community college district that serves a sprawling, sparsely populated area of west-central Alabama, is run by one of the more effective rural community college presidents in the country, Dr. Anne McNutt. A couple of weeks ago, I visited Bevill State's Carrollton Center in Pickens County to meet with Ed Davis and Marty Wiseman from the Stennis Institute of Government from Mississippi State University (Carrollton is exactly halfway between our two universities).

Pickens County, straddling the Alabama-Mississippi border, is one of the poorest counties in the United States.

It did not take long to see that something unusual was happening here. Long lines of students snaked through the hallways, a rare sight in Carrollton. They had come to sign up for the first-ever summer portion of the year-round Pell Grant program; their presence attests to the impact this program makes in rural students' lives.

My Bevill State colleagues reported that across Bevill's four campuses and outreach centers (Carrollton being one), 2,630 students enrolled in Summer 2009; 36% of them, more than a third, received Pell Grants. As of last week (additional enrollments will

come for the later summer session) Summer 2010 enrollment was 3,038, an increase of 408 students or 13% over last summer. And of this summer's students, 1,647 have Pell



Picture Credit: Derrick Flowers and LaKetra Wright Aneka Hopkins and Larry Hill (from left) wait their turn to apply for year-round Pell Grants at the Carrollton, Alabama branch of Beville State Community College. Summer 2010 enrollment is already 47% higher than last summer. Under the old Pell Grant system, students could receive funding for college education in two of three sessions: fall, spring and summer. The new system allows funding in all three terms.

Grants, including 520 on the new year-round Pell Grant. Recipients of the newly extended Pell Grant account for a large portion (more than 1/6th) of Beville's record Summer 2010 enrollment.

The result has been particularly evident in Pickens County. Total Summer 2009 enrollment here was 169 students, of whom 106 or 63% received Pell Grants; preliminary Summer 2010 enrollment data (which is certain to rise) shows a record 249 enrolled, of whom 189 or 75% are Pell Grant recipients. That three of every four Pickens County students are on Pell Grants shows the startling importance of the new year-round program.

Expanding Opportunity, Changing Lives: The Impact of Year Round (Summer) Pell Grants at Beville State Community College (Alabama)				
COLLEGEWIDE	Summer		Change	
	2009	2010 (unofficial)	Number	Percent
Enrollment, total	2,630	3,038	+408	+13%
Pell Grant recipients, total	940	1,647	+707	+17%
Summer Pell Recipients Only		520		
Pell Grant recipients as a percentage of total enrollment	36%	54%		
PICKENS COUNTY CENTER				
Enrollment, Summer	169	249	+80	+63%
Pell Grant recipients, total	106	189	+80	+55%
Pell Grant recipients as a percentage of total enrollment	63%	75%		

Note: Beville State has four campuses and several outreach centers, including the Pickens County Center in Carrollton, Alabama.

Source: Education Policy Center Analysis of preliminary Beville State Community College data.

Prior Education Policy Center studies for the Rural Community College Alliance and the MidSouth Partnership for Rural Community Colleges reveal that rural community college students incur roughly 6 of every 10 loans among all first-time, full-time U.S. community college students, to overcome rural America's well-known barriers of transportation and child care. Given the rapid increases in tuition and flat funding for Pell in the decade prior to 2006, the dramatic increases in Pell Grant aid contained in the ARRA stimulus legislation in February 2009, and the Health Care and Education Reconciliation Act of 2010, which created the year-round Pell Grant, are truly exciting.

It is too early to determine the full impact of the extended Pell grant, but our visit to Beville State provided a strong early indication: the year round program appears to count for much if not most of Beville State's expanded total enrollment.

For young adults in Pickens County, which in the first quarter of 2010 suffered a 14% unemployment rate, 189 lives will be positively impacted by expanded funding. Students waiting in line told me that, without the year-round Pell Grant, they would not be doing anything this summer. There are just no jobs available.

Even at this early stage, the sight of students clamoring to enroll for higher education demonstrates the positive difference this vital program makes in helping community college students obtain the education and training they need to have better lives. And if this is the experience in one of the poorest counties in our country, it is likely happening across the country as well.

Rural America's stake in expanding Pell Grant funding cannot be overstated. This program expands opportunities and changes lives, and will help our nation increase the number of Americans with baccalaureate degrees. Simply put, it's the most important, effective human resource development program our country has, one that's vital for rural renewal and innovation.

Stephen G. Katsinas is Director of the Education Policy Center at the University of Alabama. He also serves as Chair of the Rural Scholar's Panel of the Rural Community College Alliance, and is President of the Council for the Study of Community Colleges.



Source URL: <http://www.dailyyonder.com/pell-grants-are-crucial-rural-college-students/2010/06/14/2793>

Links:

- [1] <http://www.dailyyonder.com/files/imagefield/in-the-hall-bevill530.jpg>
- [2] <http://www.dailyyonder.com/files/imagefield/chart-of-community-colleges487.jpg>
- [3] <http://www.dailyyonder.com/files/imagefield/bevill-state320.jpg>
- [4] <http://www.dailyyonder.com/files/imagefield/in-the-hall-orange-320.jpg>
- [5] <http://education.ua.edu/wp-content/uploads/2010/03/USED-Katsinas-2-24-2010.pdf>
- [6] <http://www2.ed.gov/programs/fpg/index.html>