

Historical Pell Grant Maximum Awards: 1993-2015

Academic Year	Maximum Pell Grant
1993-94	\$3,649
1994-95	\$3,551
1995-96	\$3,515
1996-97	\$3,604
1997-98	\$3,854
1998-99	\$4,211
1999-00	\$4,295
2000-01	\$4,375
2001-02	\$4,840
2002-03	\$5,088
2003-04	\$5,046
2004-05	\$4,899
2005-06	\$4,749
2006-07	\$4,560
2007-08	\$4,740
2008-09	\$4,928
2009-10	\$5,692
2010-11	\$5,832
2011-12	\$5,628
2012-13	\$5,550
2013-14	\$5,645
2014-15	\$5,730

SOURCES: The Federal Pell Grant Program End-of-Year Report, 2011-12; unpublished data from the U.S. Department of Education, Office of Postsecondary

Education; The College Board, Trends in College Pricing; The College Board, Maximum Pell Grant as Percentage of Tuition and Fees and Total Charges over Time

Notes from Helen Faith, Financial Aid Director:

Because the enrollment surge at Lane was driven largely by changes in the economy that left many people with extremely reduced income and assets, the average award amount is a misleading data point over the past several years when considering whether financial aid is keeping pace with rising tuition rates. Instead, it would be most appropriate to look at changes in the annual maximum awards for Federal Pell Grants and Federal Direct Loans. These are the resources that truly drive affordability; looking at average changes in award amounts would create an artificially inflated appearance in terms of resource availability because the Pell amounts in particular are driven by a student's ability to pay; as the ability to pay has been severely reduced in recent years, the average Pell award has gone up for the extremely needy student population that Lane serves.

Average award amounts per student are also skewed by enrollment level, number of terms attended, and the brief appearance of "year-round Pell" during the 2009-10 and 2010-11 award years. Other confounding factors include the implementation of the 900% lifetime Pell limits for new recipients that went into place in 2008-09, followed by the significantly more austere 600% retroactive lifetime Pell limits that came into being in 2012-13. Furthermore, students without a high school diploma or GED lost their ability to establish eligibility for federal student aid in 2012-13, which presumably resulted in fewer high-need students being able to enroll in community college.

Federal loan limit changes also confuse the data, as loan limit increases are made much less frequently than Pell increases, as you can see from the historical charts at <http://www.finaid.org/loans/historicallimits.phtml>. The most recent increases to loan limits were made in 2008, and no further increases have been planned for the future as of yet. Current loan limits are available at <http://www.finaid.org/loans/studentloan.phtml>. Changes to loan limits are made through the Higher Education Act reauthorization process, and based on recommendations from the national financial aid community, there is a strong likelihood that lifetime (aggregate) limits for Direct Loans may actually decrease in the future for students at 2-year institutions due to concerns regarding over-borrowing and default at 2-year institutions.

The current Pell Grant maximum award is \$5645 for the 2013-14 award year, and will increase by \$85 to \$5730 for the 2014-15 award year. I have attached a table with Pell maximum awards from 1993-2015. I found the table at <http://trends.collegeboard.org/student-aid/figures-tables/fed-aid-maximum-pell-grant-percentage-total-charges-over-time> to be very helpful in illustrating how the value of the Pell Grant program has held up against tuition increases over the past 20 years.

So in a nutshell, in terms of anticipated increases in financial aid funding to help absorb the shock of any tuition increases for 2014-15, **the maximum additional funding available to a needy student at Lane next year would be just \$85**, representing the annual increase to the maximum Pell award for a student who attends three terms at full-time status (or a variation that results in the maximum award; for example, a student attending four terms at 3/4-time status or a student attending two terms at full-time status and two terms at half-time status).