

ELIGIBILITY CHANGES TO INCOME PROTECTION ALLOWANCE

In 2007, the passage of the CCRAA provided additional support for students who face barriers in attaining higher education by enacting common sense reforms to the federal Pell Grant program. Rolling back the 2007 Pell eligibility changes will adversely impact completion rates, reinstate the work penalty, and is counterintuitive if the goal of the Pell Grant program is to reach those most in need.

BACKGROUND ON INCOME PROTECTION ALLOWANCE (IPA)

- The Income Protection Allowance (IPA) is designed to provide needy students with a small amount of protected income to provide for basic living expenses.
- IPA is not factored into Expected Family Contribution (EFC), hence reducing protected income levels will also reduce an individual's Pell award.
- There is a reduction of 50 cents in federal financial aid for every dollar a student earns above their IPA limit.

CHANGES TO IPA DISPROPORTIONATELY IMPACT NON-TRADITIONAL STUDENTS

Independent Students	-	IPA Reduced by \$2,710 (from \$9,330 to \$6,620)
Married Students	-	IPA Reduced by \$4,340 (from \$14,960 to \$10,620)
Working Student w/ 1 child	-	IPA Reduced by \$6,850 (from \$23,630 to \$16,780)
Parents of Dependent Student	-	IPA Unchanged

Changing the IPA from \$23,630 to \$16,780 would have a significant impact on a single parent, reducing their monthly allowable budget by \$571 from \$1,969 to \$1,398:

Category	IPA Percentages	Current IPA of \$23,630	Proposed IPA of \$16,780
Food	30%	\$136 per week	\$97 per week
Housing	22%	\$433 per month	\$308 per month
Transportation	9%	\$177 per month	\$126 per month
Clothing and Personal Care	16%	\$72 per week	\$52 per week
Medical Care	11%	\$216 per month	\$153 per month
Other Family Consumption	12%	\$236 per month	\$168 per month

CHANGES TO IPA ADVERSELY IMPACTS COMMUNITY COLLEGE STUDENTS

- Of the estimated 250,000 – 400,000 students who will no longer receive Pell due to changes to the IPA, two-thirds are community college students.
- Community colleges serve nearly half of all unmarried parenting students.
- Three-fourths of all unmarried parents who were enrolled in college full time were working at least fifteen hours a week.
- Over three quarters of community college students receiving Pell Grant awards also work in order to support themselves and their families while paying for and attending school.
- Hurts completion rates – students forced to work more hours, take fewer classes, and are less likely to complete their education.