The Obama administration’s FY 17 budget request includes a proposal for a Pell Grant “bonus” of an additional $300 for Pell recipients who take 15 credit-hours. The administration estimates that some 2.3 million, or 29 percent, of the 7.7 million projected total Pell recipients next year would be eligible for the bonus. The proposal is motivated by the obvious observation that students taking only 12 credit hours—the current definition of full-time under Title IV and at the vast majority of institutions—would need five years to finish a baccalaureate program.

By way of context, the current rate of on-time completion for students in four-year programs stands at 19 percent, and for students in two-year programs at a mere 4 percent. Against that backdrop, and in view of the additional direct and indirect costs of prolonging time-to-degree, the effort to promote 15 credit-hours as the right standard for academic course-load is certainly understandable. Indeed, a number of institutions have implemented policies to promote “15 to Finish” (an initiative of Complete College America) for their students. While localized initiatives have proven anecdotally successful, sometimes resulting in significant improvements to graduation and completion rates, existing studies of “15 to Finish” are not definitive. This is particularly true with regard to “15 to Finish” policies that are promoted through student financial aid practices. Ominously, there is some evidence that even when funding policies promoting 15 credit-hours effectively raise institutional graduation rates, they can have a disparate impact on specific at-risk populations within those institutions.

As the cornerstone of access to higher education, the Pell program has been driven strictly by students’ financial need throughout its entire history, with the federal government deferring to institutions of higher education on academic eligibility criteria. Pell has had no GPA or major-field requirements or exclusions. Even its most basic student eligibility condition—satisfactory academic progress (SAP)—has always been delegated to the discretion of eligible institutions, which are free to define uniform criteria for all their students—and not just the needy—on the basis of their individual academic policies. The Pell bonus introduces policy complexities that require careful analysis to prevent unintended consequences.

While the administration understandably frames its proposal as an add-on or bonus that only provides extra help to those carrying 15 credit-hours, the proposal could just as easily be stated in the negative as reducing the maximum available awards of the nearly three-quarters of the Pell population who take fewer than 15 credit-hours. The affirmative and the punitive labels for this policy are mathematically identical, and this proposal should not be seen as a third-way solution between two extremes.

Under current law, 12 credit-hours qualify students for full-time aid, a feature of Title IV that proponents of “15 to Finish” view as effectively promoting 12 credit-hours as the de facto standard. But, current law also allows institutions to set higher thresholds and require all their students, not just Pell recipients, to take heavier course loads. There may be options that accomplish the goals of promoting greater academic momentum without federally indexing Pell to 15 credit-hours for all students at all institutions.
The proposal for increased financial aid for 15 credit-hours assumes that a significant number of students taking fewer than 15 credit-hours do so by choice. While this is almost certainly true for some students, there are no data on the size of that population, nor has there been any research on the amount of any bonus that might incentivize individual changes in enrollment-intensity. Students already have enormous financial incentives—in the form of reduced direct and opportunity costs—to finish on-time. Better counseling may be a more targeted path of changing the course-taking behavior of those students who can, but fail to, take 15 credit-hours.

The vast majority of residential colleges and universities already provide a sizeable financial incentive for taking a fifth or even a sixth course in the form of flat pricing of full-time tuition. Venues where a fifth or sixth course is basically free happen to also be where the vast majority of traditional students attend college. An intriguing alternative to the Pell bonus proposal would be to require flat-pricing of tuition for 12 and 15 credit-hours as a condition of institutional eligibility for Pell. This would provide a vastly greater financial incentive for students to take more than 12 credits, cost nothing on the budget, and minimize federal intrusion into academic policy.

Unlike most students at residential colleges, roughly half of the current Pell population is enrolled at community colleges with per-credit pricing. On average, these students face an additional $700 per semester in tuition costs for taking 15 instead of 12 credits. A Pell bonus for such students may be quite appropriate and fully comport with the fundamental need-based tenets of Pell. Two concerns with this approach are worth noting. First, the percentage of these enrollments currently taking 12 credit-hours for financial reasons is unknown and likely to be rather small; and second, such a policy may result in a gradual shift to per-credit pricing everywhere, thus eliminating the far greater financial incentive in favor of 15 or even 18 credit-hours.

A fairly common critique of our current aid system is that it caters to the needs of dependent full-time residential students of a bygone era instead of today’s older, working adults with dependents of their own and with complicated lives. Completion proposals that attempt to promote academic momentum have to be sufficiently nuanced to promote the heaviest manageable course-load for students, not just an absolute number derived through arithmetic.

Beyond upending traditional concepts of horizontal and vertical equity, modulating aid amounts based on non-financial inputs can have significant academic and administrative consequences for institutions and students. Many lower-level STEM courses, for example, carry extra credits for mandatory lab components. Students taking two four-credit courses would thus fall short by one credit-hour at 14 (4+4+3+3), or would have to attempt 17 credit-hours to obtain the maximum award. What’s more, the neediest students might be loath to attempt difficult courses if dropping a course would trigger unaffordable financial liabilities for them in the form of return-of-Title-IV requirements. Indeed, dropping below 15 could prevent the neediest students from registering for subsequent terms due to unpaid balances, thus unintentionally promoting non-completion.

Finally, the proposal carries the perennial risk of policy contagion in that its adoption as a student eligibility requirement—i.e., changing the legal definition of full-time to 15—would save the federal government billions of dollars. Even more broadly, allowing the federal government to set academic requirements in a need-based program could open the door to extraneous future eligibility criteria that would limit, not expand, opportunity. Early evidence of such a policy risk is at hand already. The administration’s America’s College Promise initiative, for example, would provide free community college to “responsible” students (defined as those with a GPA of 2.5 or higher), and some policymakers and presidential aspirants have expressed specific views on the need for various fields of study.

The public, policymakers and higher ed officials are correct in their alarm about completion statistics. Their anxiety is particularly well-placed with regard to non-completers who finance access to college with debt. “15 to Finish” should certainly be one of the tools deployed in promoting completion where appropriate, but it may not work everywhere or for all demographics. The administration’s Pell bonus proposal may be a workable and viable implementation of “15 to Finish,” or it may need modifications to make it that. It is likely that HEA reauthorization, not the FY 17 budget, will be where that question will be addressed.

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