

The Washington Post

Education

How lifting a federal ban on student aid for inmates could bolster state economies

By [Danielle Douglas-Gabriel](#)
January 16

If Congress ended a decades-old ban on providing financial aid to prison inmates, states could save hundreds of millions of dollars in correctional costs and boost employment rates, according to a study released Wednesday by the Vera Institute of Justice and the Georgetown Center on Poverty and Inequality, both nonprofit groups.

“Restoring access to postsecondary education in prison offers substantial benefits to individuals who are incarcerated, to states, to employers and to communities by reducing crime, raising employment prospects and creating wealth in communities,” Nick Turner, president of the Vera Institute of Justice, said on a call with reporters Tuesday.

Congress barred inmates from accessing federal Pell grants to finance college courses in 1994, arguing it was unfair for prisoners to receive a share of already limited financial aid dollars. Pell grants, a form of aid for low-income students, served as the primary source of funding for college programs in prisons. Without grant dollars, many facilities scaled back their educational offerings and few inmates could afford to pursue higher education.

Using state and federal data, authors of the report say about 463,000 prison inmates would be eligible for Pell grants if Congress repealed the ban. If half of that population took advantage of the grant, states could reduce recidivism rates and save an estimated \$366 million a year in correctional spending. Those savings would skyrocket to \$549 million a year if 75 percent of the Pell-eligible prison population tapped the grant.

In Maryland, the authors estimate the state could save \$7.6 million a year in prison expenditures, while Virginia could lower corrections spending by \$3.6 million according to the report.

Educated inmates would stand a better chance of obtaining employment upon release given the growing share of jobs that require postsecondary credentials or degrees, the report said. An increase in employment rates would translate into higher earnings that could be pumped back into the local economy. Authors of the report expect that combined wages earned by all formerly incarcerated people would increase by about \$45.3 million during the first year of release.

Nearly two-thirds of people incarcerated in state and federal prisons are academically eligible to enroll in higher-education programs, yet only 9 percent complete a postsecondary program, according to the report.

The higher-education programs that exist in state and federal facilities are largely funded through the Second Chance Pell Pilot Program, an Obama-era initiative to help prisoners earn an associate’s or bachelor’s degree while incarcerated. Sixty-seven colleges and universities were selected in 2016 to work with more than 100 federal and state penitentiaries to enroll up to 12,000 inmates who qualify for Pell grants. But the pilot program is limited.

The report arrives weeks after [President Trump signed into law](#) a bipartisan criminal justice overhaul bill, known as the First Step Act. The law shortens sentences for some offenders and expands job training for prisoners, but it failed to address financial aid limitations. Still, prison change advocates see the passage of the law as an inflection point that could bode well for lifting the Pell ban.

The First Step Act “reveals an opportunity to leverage the near unanimous consensus that the criminal justice system is not working as it should, and to also harness the widespread public support that exists for repealing the current federal ban on the use of Pell grants,” Turner said.

The leaders of the House and Senate education committees say they will address the ban in legislation reauthorizing the Higher Education Act of 1965, a federal law that governs almost every aspect of the sector.

“Most prisoners, sooner or later, are released from prison, and no one is helped when they do not have the skills to find a job,” Sen. Lamar Alexander (R-Tenn.), chairman of the Senate education panel, said in an email. “Making Pell grants available to them in the right circumstances is a good idea, and the committee will work to make this a part of the law in a Higher Education Act reauthorization.”

Though the reauthorization process stalled in previous congressional sessions, Alexander has pledged to make it a priority before he retires next year. He has the support of Sen. Patty Murray (D-Wash.), the top Democrat on the Senate education panel, who introduced legislation last year that included a repeal of the Pell ban.

Lifting the ban was also a priority set forth in the House Democrats Aim Higher Act, a bill introduced last year to address higher education spending. House Education Committee chairman Bobby Scott (D-Va.), who sponsored the legislation, plans to revisit the legislation. His counterpart, Rep. Virginia Foxx (R-N.C.), has reservations about how best to restore federal aid to inmates.

“At this stage, opening Pell to incarcerated Americans poses more questions than answers,” Foxx spokeswoman Kelly McNabb said. “We are aware of the Department of Education’s experimental site on this question. We know there are potential redundancies with states and localities as government at every level has an increasing interest in seeing more Americans get a second chance, and we want a full vetting of what those are.”

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Danielle Douglas-Gabriel covers the economics of education, writing about the financial lives of students, from when they take out student debt through their experiences in the job

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