



March 2019

FEDERAL STUDENT AID

Actions Needed to Evaluate Pell Grant Pilot for Incarcerated Students

Accessible Version

GAO Highlights

Highlights of [GAO-19-130](#), a report to congressional requesters

Why GAO Did This Study

Incarcerated students are generally prohibited from receiving Pell grants, which provide need-based federal financial aid to low-income undergraduate students. However, Education has the authority to waive specific statutory or regulatory requirements for providing federal student aid at schools approved to participate in its experiments. Accordingly, the department initiated the multi-year Second Chance Pell pilot in 2015 to test whether allowing incarcerated individuals to receive Pell grants increases their participation in higher education programs and influences their academic and life outcomes, or creates any obstacles to schools' administration of federal financial aid programs.

GAO was asked to review the Second Chance Pell pilot. This report examines (1) actions Education, schools, and other stakeholders have taken to implement the pilot; (2) experiences participating schools are having as they implement the pilot; and (3) how Education is monitoring and evaluating the pilot and whether opportunities for improvement exist.

GAO analyzed summary-level Education data from the 2016-2017 and 2017-2018 school years and interviewed a non-generalizable sample of 12 schools (and associated prison partners) that were selected for variation in type of school (i.e., public and private nonprofit), type of prisons served, and other variables. GAO

View [GAO-19-130](#). For more information, contact Gretta L. Goodwin at GoodwinG@gao.gov or (202) 512-8777

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Actions Needed to Evaluate Pell Grant Pilot for Incarcerated Students

What GAO Found

The Department of Education (Education) selected 64 schools across 26 states to participate in the Second Chance Pell pilot, and participating schools collaborated with prisons and other stakeholders to implement the pilot. Across the pilot's first 2 years, schools awarded approximately \$35.6 million in Pell grants to about 8,800 incarcerated students.

Officials from the 12 schools GAO interviewed reported experiencing some challenges implementing the pilot. First, school officials said they experienced challenges establishing incarcerated applicants' eligibility for Pell grants, since some applicants had not registered for Selective Service and some had an existing federal student loan in default. However, many applicants were able to complete the necessary steps—such as making a set number of payments on their defaulted loans—to reestablish eligibility. Second, obtaining documents from incarcerated applicants to support verification—which helps the department's efforts to reduce improper payments of federal student aid—was another challenge officials reported. School officials also said that providing college classes in prisons required them to develop new processes and creative solutions to overcome technology limitations, space limitations, and the transfer of students to other prisons. Officials from 8 of 12 schools told GAO they hired additional staff or developed new approaches in response to their pilot efforts.

Incarcerated College Students inside New York's Sing Sing Correctional Facility



Source: Hudson Link for Higher Education in Prison. | GAO-19-130

Education monitors the pilot by collecting data from participating schools, but had not established how it intended to evaluate Second Chance Pell or measure the pilot's performance against its objectives. Education is required to review and evaluate experiments under the Experimental Sites Initiative—of which Second Chance Pell is a part—and make recommendations, as appropriate, to improve the delivery of federal student aid. In its comments on the draft report, Education stated that it was planning to evaluate the pilot, consistent with the pilot's objectives, and described a number of steps it was taking to do so. Completing this evaluation can help ensure policymakers have the information needed to make decisions about the future of Pell grants for incarcerated students.

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Abbreviations

Education	U.S. Department of Education
FAFSA	Free Application for Federal Student Aid
GED	General Equivalency Diploma
Vera	Vera Institute of Justice

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March 5, 2019

The Honorable Steve Cohen
Chairman
Subcommittee on the Constitution, Civil Rights and Civil Liberties
Committee on the Judiciary
House of Representatives

The Honorable Brian Schatz
United States Senate

The federal Pell grant program provides low-income undergraduate students with financial aid for postsecondary education. However, incarcerated students have been generally prohibited from receiving Pell grants since 1994.¹ In 2015, the Department of Education (Education) initiated the Second Chance Pell pilot program. The pilot program allows incarcerated students who meet all other Pell eligibility requirements to receive Pell grants for use at selected colleges and universities.² The program has a particular focus on those students who are likely to be released within 5 years. The objectives of the pilot are to test whether awarding Pell grants to incarcerated students increases their participation in higher education programs and influences their academic and life outcomes, and to examine whether the pilot creates any challenges or obstacles to a school's administration of federal financial aid programs.³ Education has not set an end date for the Second Chance Pell pilot, but stated that experiments under the initiative typically run 3 to 4 years. The pilot began its third school year in July 2018.

¹The Violent Crime Control and Law Enforcement Act of 1994, Pub. L. No. 103-322, § 20411, 108 Stat. 1796, 1828 (codified as amended at 20 U.S.C. § 1070a(b)(6)), prohibited basic Pell grants from being awarded to individuals incarcerated in any federal or state penal institution. See also 34 C.F.R. § 668.32(c)(2)(ii).

²Education is authorized under the Higher Education Act Experimental Sites Initiative, 20 U.S.C. § 1094a, to periodically administer experiments to test the effectiveness of statutory and regulatory flexibility for participating postsecondary institutions in disbursing federal student aid.

³80 Fed. Reg. 45,964 (August 3, 2015).

You asked us to review the Second Chance Pell pilot. This report examines the following questions:

1. What actions have Education, schools, and other stakeholders taken to implement the Second Chance Pell pilot?
2. What experiences are participating schools having as they implement the Second Chance Pell pilot?
3. How is Education monitoring and evaluating the pilot, and what opportunities, if any, exist for improvement in these areas?

To determine what actions Education and other stakeholders have taken to implement the pilot, we reviewed summary-level data from Education regarding the schools and individuals that participated in the first 2 years of the pilot. To ensure the reliability of these data, we reviewed agency documentation about the data and the system that produced them and interviewed officials from Education responsible for collecting and validating the data. We found the data to be sufficiently reliable for our purposes. To further identify the actions taken to implement the pilot, we interviewed officials from the Department of Justice, as well as Education's Office of Federal Student Aid, on the actions taken to prepare for the pilot and the guidance and support provided to participants, among other topics. We also interviewed representatives from three research groups—the Urban Institute, the Vera Institute of Justice (Vera), and New America—in order to gain additional insight on the effects of postsecondary correctional education as well as the design and implementation of the Second Chance Pell pilot.

To understand schools' actions and experiences implementing the pilot, we interviewed officials from a non-generalizable sample of 12 participating schools (and associated prison partners) that were selected for variation in type of schools (i.e. public and private nonprofit), degrees awarded, type of prisons served, and other variables. As part of these interviews, we also interviewed officials from seven correctional facilities who partnered with the participating schools. We also visited three prisons that partnered with the selected schools (Jessup Correctional Institution in Maryland, Mission Creek Corrections Center for Women in Washington State, and Sing Sing Correctional Facility in New York) and one school's campus (City University of New York) in order to observe classrooms and student resources such as libraries and study spaces and to talk with individuals selected by the schools about their experiences participating in the pilot. These sites were selected for variation in experience delivering college classes in prisons, number of

students served, and to allow us to observe both men's and women's prison facilities. To further understand schools' experiences as they implement the pilot, we attended the third-annual convening of Second Chance Pell partners, which was a 2-day conference for participating schools, their correctional partners, and other stakeholders, hosted by Vera.

To assess how Education is monitoring and evaluating the pilot, we reviewed Education's documentation on the pilot's objectives (including any evaluation objectives), analyzed the data collection instruments Education uses to monitor the pilot, and compared Education's efforts to leading practices we have identified for effective pilot design and evaluation.⁴ Our complete scope and methodology can be found in appendix I.

We conducted this performance audit from January 2018 to March 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Pell Grant Program

First authorized in 1972, the Pell Grant Program awards federally-funded grants to low-income undergraduate and certain post-baccalaureate students who are enrolled in a degree or certificate program (which can include vocational programs) and have federally-defined financial need. Education's Office of Federal Student Aid administers the Pell Grant program and other federal student aid programs—grants, loans, and work-study—authorized under Title IV of the Higher Education Act of 1965, as amended.⁵ Students are eligible to receive Pell grants for no

⁴See GAO, *Data Act: Section 5 Pilot Design Issues Need to be Addressed to Meet Goal of Reducing Recipient Reporting Burden*, [GAO-16-483](#) (Washington, D.C.: April 19, 2016).

⁵Higher Education Act of 1965, Pub. L. No. 89-329, § 401, 79 Stat. 1219, 1232 (codified as amended at 20 U.S.C. § 1070a).

more than 12 semesters (or the equivalent). The maximum allowable Pell grant for the 2018-2019 school year was \$6,095.

The amount a student receives is based on a formula that compares the estimated cost to attend a particular school with a student's expected family contribution toward that cost.⁶ A student's expected family contribution is determined by considering his or her income and assets, or for students who are dependent or independent students who are married, their income and assets as well as that of their parents or spouses.⁷ Students are eligible for federal need-based aid if their cost of attending a school is more than their expected family contribution. Students incarcerated in federal or state penal institutions have been ineligible for Pell grants since the enactment of the Violent Crime Control and Law Enforcement Act of 1994.⁸ Beginning in the 2016-2017 school year, the Second Chance Pell pilot has allowed a limited number of students to receive Pell grants despite their incarceration.

Federal Student Aid Eligibility

In general, to be eligible to receive federal student aid (including Pell grants), Department of Education guidance states that an applicant must:

- be a citizen or eligible noncitizen of the United States;
- have a valid Social Security Number;
- have a high school diploma or a General Education Development certificate, or have completed homeschooling;
- be enrolled in an eligible program as a regular student seeking a degree or certificate;
- maintain satisfactory academic progress;

⁶Education defines cost of attendance as tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care; and certain other expenses.

⁷Under 20 U.S.C. § 1087vv(d), generally, the term "independent," when used with respect to a student, means any individual who meets one of several criteria, such as being age 24 years or older by December 31st of the award year, being married, or having legal dependents other than a spouse.

⁸Pub. L. No. 103-322, § 20411, 108 Stat. 1796, 1828.

- not owe a refund on a federal student grant or be in default on a federal student loan;
- register (or already be registered) with the Selective Service System, if the person is a male and not currently on active duty in the U.S. Armed Forces; and
- not have a conviction for the possession or sale of illegal drugs for an offense that occurred while the person was receiving federal student aid (such as grants, work-study, or loans).

For the Pell grant program, an applicant must also demonstrate financial need and not have obtained a bachelor's degree or a first professional degree.

Applying for Financial Aid

In the 2016-2017 school year, more than 18.6 million prospective students applied for federal student aid by submitting the Free Application for Federal Student Aid (FAFSA).⁹ The FAFSA consists of more than 100 questions that collect information ranging from basic contact information to the current value of assets. Several questions ask for financial information, which could require applicants (and their parents and spouses, if they are dependent or married) to rely upon information located on tax returns, as well as information from bank, business, and investment records. Incarcerated individuals in the Second Chance Pell pilot are required to apply for financial aid using the same process as students in the non-incarcerated population.

After Education processes an applicant's FAFSA, a report is sent to the applicant or made available online. This report includes the applicant's expected family contribution, the types of federal aid for which the applicant qualifies, and information about any errors—such as questions the applicant did not complete—that Education identified during FAFSA processing. Schools send applicants award letters after admission, providing students with types and amounts of federal, state, and institutional aid, should the student decide to enroll.

⁹Pell grants are one of several federal student aid programs authorized under Title IV of the Higher Education Act of 1965, as amended. Title IV aid also includes other federal grants (such as Supplemental Educational Opportunity Grants), loans, and work-study programs. 20 U.S.C. § 1070 et. seq.

Education's FAFSA Verification Process

Education uses a process called “verification” to help identify and correct erroneous or missing information in students’ FAFSAs, which helps the department’s efforts to reduce improper payments of federal student aid. Education selects approximately 30 percent of FAFSAs for verification each academic year and schools are required to work with the selected students to confirm the accuracy of the information provided on their FAFSAs. A student is responsible for gathering the necessary documentation—such as prior years’ tax returns or proof of having obtained a high school diploma—and providing it to the school financial aid office, which compares the information submitted in the FAFSA to the student’s supporting documentation. If there is a difference between the student’s documentation and what he or she submitted on the FAFSA, the FAFSA information may need to be corrected.

When selecting FAFSAs for verification, Education aims to select those FAFSAs with the highest statistical probability of error and the impact of such error on award amounts. Education’s specific criteria for selecting FAFSAs for verification is not public information; however, the department periodically refines its process for selecting FAFSAs to reduce the burden of verification on applicants, their families, and schools while maintaining the integrity of the federal student aid programs.

Education publishes a list of potential verification items for each award year in the *Federal Register*.¹⁰ The items that schools are required to verify for a given application are selected by Education from that list. For the 2018-2019 school year, the items for verification are shown below:¹¹

- Adjusted gross income,
- U.S. income tax paid,
- Untaxed portions of Individual Retirement Arrangement distributions,
- Untaxed portions of pensions,

¹⁰Under 34 C.F.R. § 668.56, for each award year the Secretary of Education publishes in the *Federal Register* notice the FAFSA information that an institution and an applicant may be required to verify and for each applicant whose FAFSA information is selected for verification by the Secretary, the Secretary specifies the specific information within the *Federal Register* notice that the applicant must verify.

¹¹82 Fed. Reg. 21,204 (May 5, 2017).

-
- Individual Retirement Arrangement deductions and payments,
 - Tax-exempt interest income,
 - Income earned from work,
 - Household size,
 - Number of household members in college,
 - High school completion status,
 - Education credits, and
 - Identity and statement of educational purpose.¹²

Research on the Effects of Participating in Education while Incarcerated

The body of literature on prisoners' participation in educational programs while incarcerated suggests there may be benefits for participants, the facilities in which they are housed, and taxpayers. However, positive benefits attributed to postsecondary correctional education are not always clear because the students who would have done better post-release may have been more willing or motivated to participate in the program anyway. See appendix II for a summary of selected research on correctional education. See appendix III for additional information on the educational attainment of the prison population.

¹²Under 82 Fed. Reg. 21,204, applicants who are required to verify their identity and statement of educational purpose must appear in person at the school and present the following documentation to an institutionally-authorized individual to verify the applicant's identity: (1) an unexpired valid government-issued photo identification and (2) signed statement of educational purpose that certifies who they are and that the federal student aid they may receive will only be used for educational purposes and for the cost of attending that school year. If an institution determines that an applicant is unable to appear in person at the school, the applicant must provide the institution with a copy of an unexpired valid government-issued photo identification that is acknowledged in a notary statement or that is presented to a notary and an original notarized statement signed by the applicant for the statement of educational purpose.

Education, Participating Schools, and Other Stakeholders Took Several Actions to Implement the Second Chance Pell Pilot

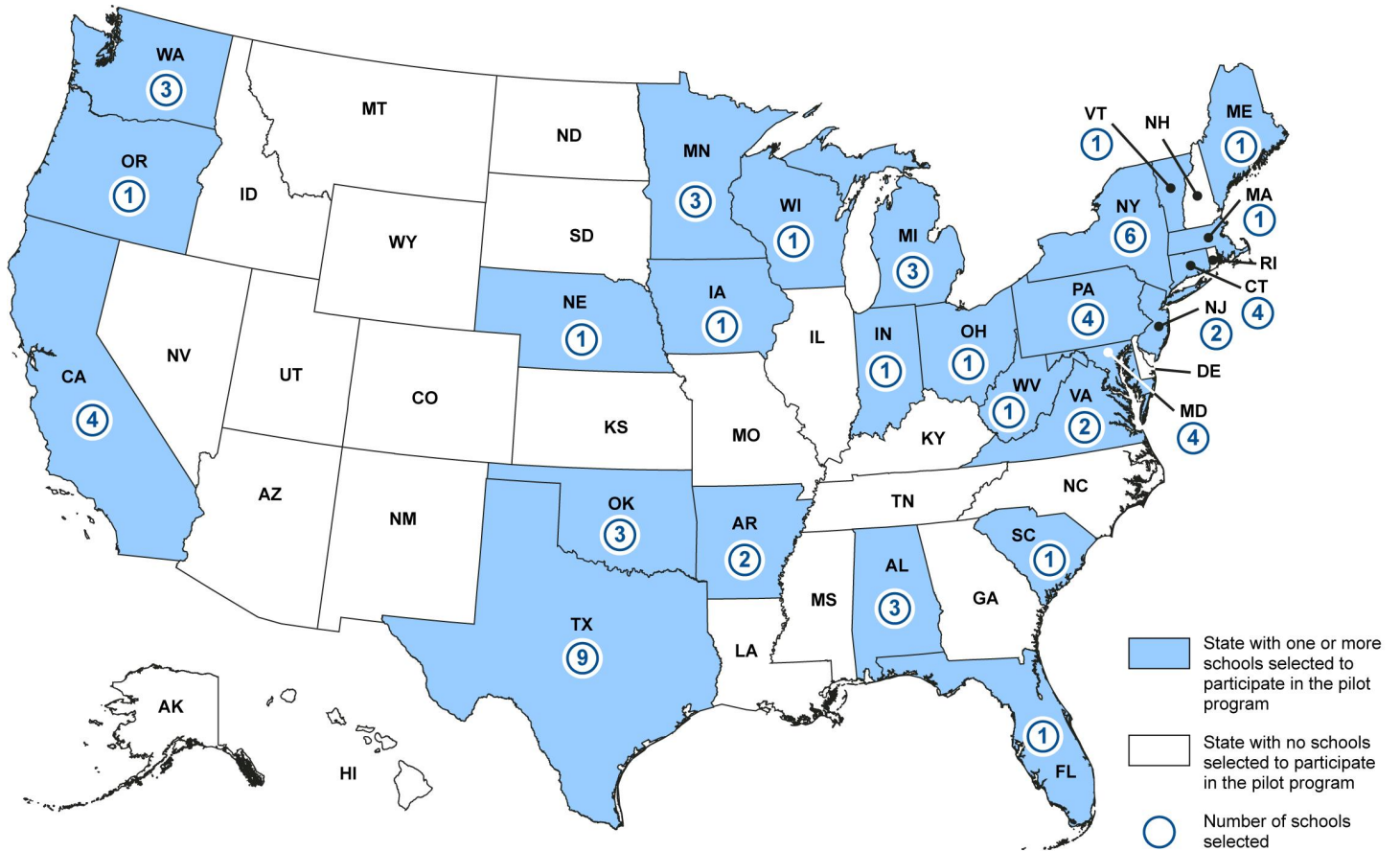
Education Selected 64 Schools to Participate in the Second Chance Pell Pilot

In response to an August 2015 Federal Register notice announcing the pilot, Education officials reported receiving applications from over 200 schools seeking to participate.¹³ The officials said they selected schools for the pilot that varied along several characteristics, including location and size, as well as ensuring that selected schools did not have a history of compliance issues or other problems delivering federal student aid. Education selected 64 schools to participate in the pilot and officially notified schools in June of 2016 that Pell-funded courses could begin as early as July 1 of that year.¹⁴ The 64 schools are located across 26 states and include public and private nonprofit 2- and 4-year schools. Figure 1 below shows the locations and numbers of the 64 schools selected to participate in the pilot and figure 2 includes additional information on 3 schools participating in the pilot that were included our sample. Appendix IV includes a complete list of the schools Education selected to participate in the pilot and select characteristics of those schools.

¹³80 Fed. Reg. 45,964 (August 3, 2015).

¹⁴Education initially selected 69 schools to participate in the pilot. Four of the selected schools elected not to participate in the pilot before it began. Additionally, two schools—John Jay College of Criminal Justice and Hostos Community College—both operate under the City University of New York umbrella and are part of the Prison-to-College-Pipeline program, administered by the Prisoner Reentry Initiative at John Jay College. For the purposes of our review, we consider them as a single pilot school.

Figure 1: States with Schools Selected to Participate in the Second Chance Pell Pilot



Source: GAO analysis of Department of Education data; Map Resources (map) | GAO-19-130

Figure 2: Summary Information About Three Second Chance Pell Schools Interviewed by GAO

Second Chance Pell Pilot School:
**City University of New York’s
 John Jay College of Criminal Justice**



John Jay College of Criminal Justice is a public 4-year school that is part of the City University of New York system, located in New York City. The school houses the Prisoner Reentry Institute, which has administered the Prison-to-College-Pipeline since 2011.

The school began offering Second Chance Pell funded courses in fall 2016 in partnership with Hostos Community College, a public 2-year school that is also part of the City University of New York system. The school recruits prospective male students from five medium security prisons for a program that is provided at Otisville Correctional Facility. In fall 2018, the school also began offering Pell-funded courses at Queensboro Correctional Facility.

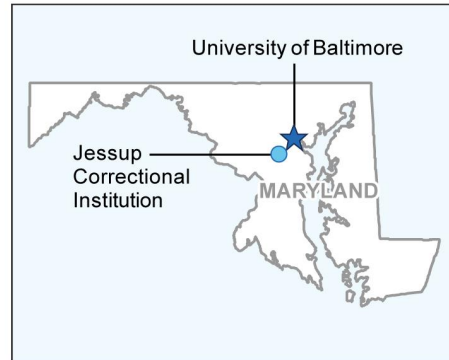
Students Receiving Pell Grants
 Year 1: 16 Year 2: 33

Pell Grants Disbursed (in thousands)
 Year 1: \$25-50 Year 2: <\$25

Sample classes: Mathematical and Quantitative Reasoning, Community Health, Anthropology

Credentials Awarded: The program does not award credentials to students who are incarcerated. Instead, the school offers credits that are transferrable to any State (or City) University of New York college upon release.

Second Chance Pell Pilot School:
University of Baltimore



University of Baltimore is a public, 4-year school located in Baltimore, Maryland. The school began offering Second Chance Pell courses in August 2016. The school offers pilot courses at Jessup Correctional Institution, a maximum security state prison for men.

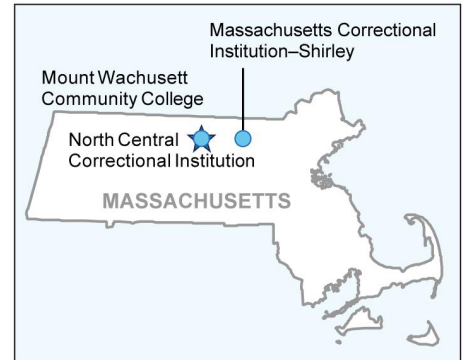
Students Receiving Pell Grants
 Year 1: 30 Year 2: 52

Pell Grants Disbursed (in thousands)
 Year 1: \$125-150 Year 2: \$175-200

Sample classes: College Algebra, Psychology, Communicating Effectively

Credentials Awarded: Bachelor’s degree in Human Service Administration

Second Chance Pell Pilot School:
Mount Wachusett Community College



Mount Wachusett is a public 2-year school located in Gardner, Massachusetts. The school began offering Second Chance Pell courses in January 2017. Currently, the college operates at two medium security Department of Corrections sites and one county House of Corrections site that houses offenders with 30 months or fewer on their sentences.

The Second Chance Pell program has grown from awarding 405 credits in year one to 957 in year two, and the program is projected to award almost 1200 credits in year three. In May 2018, the first cohort of 22 students graduated with certificates in Small Business Management.

Students Receiving Pell Grants
 Year 1: 35 Year 2: 72

Pell Grants Disbursed (in thousands)
 Year 1: \$75-100 Year 2: \$175-200

Sample classes: Business Law, Accounting, Marketing, Computerized Accounting

Credentials Awarded: Certificate in Small Business Management

Source: City University of New York; University of Baltimore; Mount Waschusett Community College; MapInfo (map). | GAO-19-130

Education, Schools, Prisons, and Others Collaborated to Prepare for and Implement the Pilot

To prepare for the pilot, Education took a number of actions. For example, Education hosted four webinars for officials at schools selected to participate in the pilot. The first two webinars occurred in September 2015, during which Education officials discussed the pilot's objectives and strategies for establishing effective partnerships between schools and prisons. The third webinar took place in July 2016 and covered how to navigate the federal financial aid application process and the information Education planned to collect from schools, among other topics. Education held the final webinar in August 2016 in collaboration with the Department of Justice. The webinar contained information on how schools and their prison partners could develop shared goals, roles, expectations, policies, and procedures, and how these might be incorporated into a memorandum of understanding.¹⁵ Education also developed a Frequently Asked Questions page on its website and responded to questions submitted by school officials via email. In addition, Education hosted breakout sessions for Second Chance Pell schools at its annual Federal Student Aid Training Conference in 2016, 2017, and 2018.

School officials reported working with a variety of stakeholders to prepare for and to implement the pilot. For instance, officials from 7 of 12 schools we interviewed said they collaborated with one or more additional stakeholders within the school, such as individuals working in academic departments, financial aid, the registrar, the bursar, and academic advising. For example, officials from one school said administrators partnered with the bursar and the registrar to ensure that incarcerated students were not unenrolled from classes if their Pell grants took longer to be disbursed than those for non-incarcerated students. Officials from 10 of 12 schools we interviewed talked about the importance of coordinating with staff at the prison, and officials from 9 schools said coordinating with their states' departments of corrections was important for implementing the pilot. For example, officials from one school said their state Department of Corrections demolished a wall at one participating prison in order to provide more classroom and study space for the program.

¹⁵As of October 1, 2018, presentation slides for each webinar are available on Education's Experimental Sites Initiative webpage. For all but one webinar, the website also includes recordings and transcripts.

Finally, schools described collaborating with organizations that help facilitate college courses in prisons. For example, officials from all 12 schools we interviewed said that Vera provided technical assistance, such as information-sharing and opportunities to network with other pilot schools.¹⁶ Officials from one school also noted that they partner with Hudson Link, an organization that recruits students for postsecondary correctional education programs and supports students' reentry upon release, among other activities.

Almost 8,800 Incarcerated Students Received a Pell Grant in the Pilot's First 2 Years

Across the pilot's first 2 years, 59 Second Chance Pell schools disbursed approximately \$35.6 million in Pell grants to a total of 8,769 individual students. See table 1 for a comparison between the first and second school years.

Table 1: Number of Schools and Students Participating in Second Chance Pell Pilot and Amount of Aid Disbursed, by School Year

Information Type	2016-2017	2017-2018
Schools participating in the pilot	53	59
Individuals who submitted a Free Application for Federal Student Aid	8,378	10,510
Students who received a Pell grant ^a	4,960	6,296
Pell grants disbursed (in millions)	\$13.3	\$22.3 ^b

Source: GAO analysis of Department of Education data. | GAO-19-130

^aSome students received Pell grants in both pilot years. Across both years, schools awarded Pell grants to a total of 8,769 individuals.

^bAs of September 6, 2018.

Not all of the 64 schools selected for the pilot began offering Pell-funded classes at the start of year one. Specifically, 11 of the 64 selected schools were unable to offer classes in the pilot's first year and 5 of the 64 selected schools did not offer classes in the second year. Education

¹⁶Vera received a grant from the Bureau of Justice Assistance to develop national resources for schools, prisons, and community groups. Through the grant, Vera wrote a report titled "Making the Grade" that discusses the essential elements for effective school and prison partnerships. Vera also provides remote and in-person technical assistance to schools participating in the Second Chance Pell pilot. The Bureau of Justice Assistance grant ended in January 2018, but Vera has continued to provide assistance using alternative funding.

officials told us that some schools needed additional time to stand up their programs, as the department allowed, for a number of reasons. For example, officials said:

- Some schools with new correctional education programs faced delays obtaining accreditation for those programs.
- Some schools needed additional time to work out operational details, such as obtaining credentials or security clearances in order for faculty and staff to enter the prison.
- Some schools needed additional time to build relationships with correctional partners.

Figure 3 shows incarcerated students taking college classes inside two New York prisons.

Figure 3: Incarcerated College Students inside New York’s Sing Sing Correctional Facility and Taconic Correctional Facility for Women



Source: Hudson Link for Higher Education in Prison. | GAO-19-130

Officials from Selected Schools Reported Experiencing Some Challenges Implementing the Pilot, but Developed New Approaches to Address these Challenges

School Officials Reported Challenges in a Few Areas Required to Establish Incarcerated Applicants' Eligibility for Pell Grants

School officials we interviewed said that they experienced some challenges establishing incarcerated applicants' eligibility for aid, including establishing an applicant's citizenship or eligible non-citizenship and providing accurate Social Security Numbers or Alien Registration Numbers. For example, officials from 6 of the 12 schools we interviewed said that some of their incarcerated applicants did not know or have access to their Social Security Number. The two most commonly-identified reasons applicants were initially ineligible for Pell grants were (1) some applicants had not registered for Selective Service, and (2) some had an existing federal student loan in default status. Schools and applicants faced challenges addressing these reasons.

Selective Service. Generally, to be eligible to receive Pell grants, applicable male students must have registered with the Selective Service.¹⁷ However, for male students who have not registered, institutions may determine that the student is not ineligible for a Pell grant if the student can demonstrate by submitting evidence to the institution that (1) he was unable to present himself for registration because of reasons beyond his control—such as hospitalization, incarceration, or institutionalization—or (2) he is over 26 and when he was between the ages of 18 to 26, he did not knowingly and willfully fail to register with the Selective Service.¹⁸

Education data showed that about 15 percent of the FAFSAs submitted in the pilot's first year were from applicants who had not registered for Selective Service. In comparison, 2 percent of FAFSAs in the overall

¹⁷50 U.S.C. § 3811(f). See also, 20 U.S.C. § 1091(n) and 34 C.F.R. § 668.37.

¹⁸34 C.F.R. § 668.37(d).

population were submitted by applicants who had not registered.¹⁹ School officials said that many applicants had been continuously incarcerated between ages 18 to 26, but that obtaining documentation to demonstrate this was difficult in some circumstances. For example, officials from one school reported that obtaining records from juvenile correctional facilities was challenging and officials at another school said that applicants did not always know or have access to their exact dates of incarceration.

Men over age 26 who had not been continuously incarcerated but who wished to apply for federal financial aid must obtain an official response from the Selective Service System confirming that the individual did not register, but should not be denied federal benefits. To obtain this official response, the student can write or call the Selective Service System with a detailed description of the circumstances he believed prevented him from registering at the required time. The individual would then provide the official written response from the Selective Service System to his school financial aid office, which would evaluate whether his failure to register was knowing or willful.²⁰ Officials from 7 of the 12 schools we interviewed said the process to obtain documentation from the Selective Service System was difficult or time-consuming.

Student Loan Default. Applicants are generally ineligible for Pell grants if they have a prior federal student loan in default status.²¹ Education data showed that about 10 percent of FAFSAs in the first year of the pilot were submitted by applicants with an existing federal student loan in default status. In comparison, about 2 percent of FAFSAs in the overall population were submitted by applicants with an existing loan in default status.²² Officials from all 12 schools we interviewed said at least some of

¹⁹Of 8,378 FAFSAs submitted by incarcerated applicants in the first year, 1,293 were submitted by applicants who did not register for the Selective Service. Among all 18.6 million FAFSAs submitted in that school year, 364,432 were submitted by applicants who did not register.

²⁰See 34 C.F.R. § 668.37(e).

²¹20 U.S.C. § 1091(a)(3). In general, in order to receive any grant, loan, or work assistance under Title IV, a student must not owe a refund on grants previously received at any institution pursuant to Title IV, or be in default on any loan from a student loan fund at any institution or loan made, insured, or guaranteed by the Secretary of Education for attendance at any institution.

²²Of 8,378 FAFSAs submitted by incarcerated applicants in the first year, 794 were submitted by applicants who had an existing federal student loan in default status. Among all 18.6 million FAFSAs submitted in that school year, 336,160 were submitted by applicants who had an existing federal student loan in default status.

their incarcerated applicants had existing federal student loans in default status. There are options, however, for individuals to remove default status from their loans, potentially regaining eligibility for Pell grants. For example, borrowers may rehabilitate their student loans by entering into and completing a written agreement that requires the borrower to make nine on-time monthly payments within 10 consecutive months.²³ These income-driven payments can be as low as \$5 per month.²⁴

According to school officials, however, removing default status from loans can be challenging for incarcerated individuals. For example, officials from one school we interviewed said applicants generally cannot make phone calls to set up loan repayment plans and instead have to rely on postal mail for completing the necessary paperwork. Also, officials from another school we interviewed said that for applicants who must rely on family members outside the prison to make the required payments, there is no guarantee that the family will do so. Additionally, borrowers may rehabilitate a loan only once.²⁵ Despite these challenges, officials from five schools said they had applicants who were working to rehabilitate their loans, such as by paying from wages earned through prison work or by having family members make payments on their behalf. Officials from two of those schools said they had one or more applicants who successfully rehabilitated their loans and were able to enroll in the pilot.

School Officials Reported Challenges Verifying Incarcerated Applicants' Income and Assets

According to school officials we interviewed, verifying incarcerated applicants' income and assets was challenging, in particular, because of circumstances unique to applicants being in prison. Communication between the applicant, the applicant's family, and the school's financial aid office is limited by virtue of the applicant's confinement. For example, incarcerated applicants were typically unable to be reached via phone or email to answer questions, according to school officials we interviewed,

²³20 U.S.C. § 1078-6. To be considered on time, the borrower must make the payment within 20 days of the due date each month.

²⁴Other options for taking loans out of default status include payment in full; a compromise, where the borrower agrees to a reduced overall payment to satisfy the debt in full and generally must submit payment within 90 days; and loan consolidation, where the borrower agrees to combine multiple loans into one loan and resume repayment.

²⁵20 U.S.C. § 1078-6.

and completing verification paperwork sometimes required multiple trips to the prison, which in some cases was more than an hour away. Further, incarcerated applicants sometimes did not have access to their personal files or records and faced difficulties obtaining documentation, such as copies of high school transcripts and tax records, which may be required for financial aid officers in the event the applicant is chosen for verification. Education guidance indicates that under certain circumstances, the school may accept alternate forms of documentation from the correctional facility if that documentation provides the information the school has requested. For example, the school may accept documentation from the correctional facility that shows an individual was incarcerated for the entire corresponding tax year, rather than requiring the applicant to obtain a letter of non-filing from the Internal Revenue Service.

School officials said that some dependent and married students had trouble providing the school financial aid office with income documentation for others, such as a parent or spouse. According to Education data, approximately 2 percent of incarcerated applicants in the first year of the pilot were dependent, and nearly 11 percent were married.²⁶ If an applicant selected for verification is dependent or married, he or she is required to provide the school with documentation to verify household income. Officials from 7 of the 12 schools we interviewed said that sometimes an applicant had trouble securing required documents from a parent or spouse. If an applicant cannot provide the required documentation of the income and assets of his parent or spouse, the school cannot verify the individual's FAFSA information and cannot award a Pell grant.

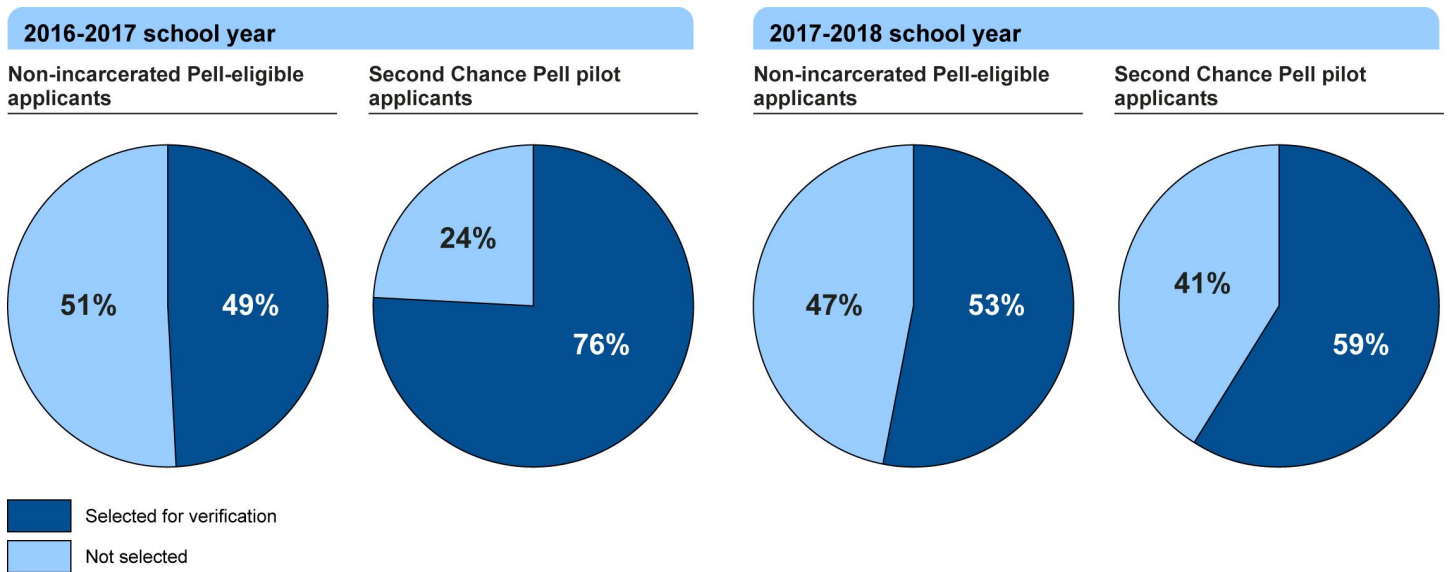
School officials indicated that these challenges were compounded by the selection of a high percentage of Second Chance Pell FAFSAs for verification. Education uses a number of criteria to select FAFSAs for verification, which the department does not share publicly. However, Education officials said that being eligible for a Pell grant and reporting no income are two such criteria.²⁷ As a result, schools that serve more Pell-

²⁶Of 8,378 incarcerated applicants who submitted FAFSAs in the first year of the pilot, 141 were classified as dependent and 879 were married, according to Education data.

²⁷The verification selection algorithm is based on a Classification and Regression Tree model that predicts risk of improper payment for each applicant based on historic improper payment rates. Numerous criteria are used to select applicants for verification, such as Pell eligibility status.

eligible applicants are likely to have more of their applicants' FAFSAs selected for verification than schools that serve fewer Pell-eligible applicants.²⁸ Accordingly, 76 percent and 59 percent of pilot FAFSAs were selected for verification in the 2016-2017 and 2017-2018 school years, respectively. Education's verification selection rate for non-incarcerated, Pell-eligible applicants was 53 percent in the 2017-2018 school year. Figure 4 below shows Education's verification selection rates for non-incarcerated Pell-eligible applicants and incarcerated applicants in these first two school years.

Figure 4: Percentage of Free Applications for Federal Student Aid (FAFSAs) Selected for Verification, 2016-2017 and 2017-2018 School Years, by Subgroup



Source: GAO analysis of Department of Education data. | GAO-19-130

²⁸Education officials said that they consider an applicant to be possibly Pell-eligible if he or she has not earned a Bachelor's degree and has a sufficiently low Expected Family Contribution. Education data for 2016-2017 showed that 95 percent of Second Chance Pell applicants had an Expected Family Contribution of zero dollars.

Schools Hired Staff and Developed New Approaches to Address Challenges

Officials from 8 of the 12 schools we interviewed reported hiring additional staff or allocating more staff hours to help manage the increased administrative workload. For example,

- Officials from one school said their school added six full-time employees to process financial aid for their pilot students.
- A financial aid officer from another school stated that her workload has increased since the pilot began, and she has taken on additional tasks, such as training other staff to fill in when she could not travel to the prison.
- Officials from another school said they have added positions in the academic, administrative, and financial aid departments to handle the additional administrative workload.

In addition, officials from 9 of 12 schools said they developed new approaches to address challenges related to processing FAFSAs submitted by incarcerated applicants. For example:

- *Start Early:* Officials from one school reported collecting FAFSAs earlier in the second year than they had in the first year to allow for additional time to collect documentation for applicants who may be selected for verification. An incarcerated student we spoke with echoed this challenge when he spoke of difficulties locating prior years' tax returns. See sidebar for additional experiences shared by incarcerated students we met with. Officials from two schools reported having applicants complete verification-related paperwork, such as requests for supporting documentation from federal entities like the Internal Revenue Service, at the same time they completed their FAFSA. The officials said this approach reduced the number of visits the officials had to make to the prison and helped school officials and incarcerated applicants keep track of the required paperwork.
- *Pre-screen Applicants:* Officials from two schools reported pre-screening their incarcerated applicants for common issues that affect financial aid eligibility so that they could work with applicants to begin to correct these issues (such as helping applicants learn how to make payments to rehabilitate loan default status). Other schools used pre-screening to reduce the school's workload, since they were able to exclude ineligible applicants before they submitted a FAFSA.

-
- *Track and Report on Status:* Officials from one school said their information technology department developed a system that generates a report on the documentation that incarcerated applicants have provided and the documentation that remains outstanding. The report also contains notes from staff members on their document requests with the Selective Service System, Internal Revenue Service, and other agencies.

Officials from Selected Schools Reported Logistical Challenges in Providing Prison-based Classes, but Many Schools Developed New Approaches to Address Them

School officials we interviewed reported that providing college courses in prisons required them to develop new processes and generate creative solutions to help overcome technology limitations, space limitations, and the transfer of students to other prisons, among other limitations. For example, officials from 9 of the 12 schools said that limited technology in prisons, especially limited access to the Internet, presented a challenge. An official from one school said that classroom discussions were enhanced by the low-technology setting. To overcome technology limitations, officials from one school said that it partnered with the state libraries to develop a solution to deliver research materials to students. Specifically, an incarcerated student mails a research request to a state library. Once received, a librarian will locate the requested articles and electronically send the material to the prison's secure printer. A prison staff member will then deliver the material to the student.

Second Chance Pell Pilot: Student Perspectives

Filling out the Free Application for Federal Student Aid (FAFSA):

- A student discovered he had a loan in default status and could not access a prior year's tax return, making the process take longer.
- Filling out the section of the FAFSA on parents' educational attainment caused one student to reflect on how little he knew of his father's educational attainment.

Benefits of College Classes in Prison:

- A student said that time spent in class helps inmates be less idle and therefore less likely to engage in negative behavior.
- A student said that being in a learning cohort has helped him feel less alone.
- One student said the college program elevates the status of students in the prison, and the younger people look up to him and his college-going peers.

Plans Upon Release from Prison:

- One student plans to finish his degree and open a nonprofit organization serving youth.
- One student is going to be released December 2018. He plans to work toward becoming a home inspector and attend classes at the main campus, where he has applied for an academic scholarship.
- One student, who was expected to be released by the end of 2018, was proud to be leaving prison with a college degree. He plans to start a business and mentor young men to pursue education.
- One student had 2 months left on a 20-year sentence. He plans to start a business upon release and had developed a business plan as part of his studies. He also plans to work with at-risk young men to steer them away from crime and towards education.

Note: One of the prisons for men that we visited selected five students for us to interview. Each interview was conducted in a private classroom setting with one student and two GAO team members. Each interview lasted between 5 and 10 minutes. Each student was asked the same set of questions about his experience applying for and participating in the Second Chance Pilot Program. Although these interviews were only conducted at one site and are therefore not generalizable to all students participating in the pilot program, they do provide insight about the students' experience.

Source: GAO analysis of interviews with Second Chance Pell students. | GAO-19-130

Officials from 9 of the 12 schools we interviewed said that space and scheduling limitations in prisons also presented a challenge. School officials told us they must compete for classroom space with other programming that is offered—or in some cases required by law, such as GED education—to inmates. Officials from two schools said they hold night and weekend classes to address such limitations. Officials from one school also reported that prison staff changed incarcerated students' schedules (such as meal times and other scheduled activities) to accommodate their academic needs. Additionally, some prison officials reported relocating all the student inmates into the same housing unit to help create a positive learning environment.

Officials from 7 of the 12 schools we interviewed said at least one incarcerated student was either transferred to another prison or was released during the pilot.²⁹ To address the issue of students being transferred to a different prison, officials from three schools said they developed an agreement with their state's department of corrections that students participating in the pilot would not be transferred to other facilities until the end of the academic term.³⁰

²⁹Officials stated that individuals can be transferred for a variety of reasons, such as for their safety or for disciplinary reasons.

³⁰Officials from one school we interviewed said that Second Chance Pell students would not be transferred for the duration of their participation in the pilot.

Education Collects Information on Students and Schools in the Pilot, but Has Not Evaluated Pilot Results

Education Monitors Pell Spending and Gathers Examples of Schools' Experiences

To monitor Pell dollars spent and other aspects of the pilot, Education systematically collects data from participating schools. Education requires schools to report data monthly, to complete an annual report, and to respond to a survey each academic year.³¹ Education officials said they use schools' monthly reporting—which is limited to the participating students' Social Security Numbers and last names—to monitor Pell grant disbursements. Education requires schools to report annually on the students who completed FAFSAs, including the number of credits that students attempted and earned and the dollar amount students were assessed for tuition and fees, for example. Education officials reported that they will follow up with schools that are not reporting data to determine if the school either has no data to report or needs further assistance from the department.

As part of its annual survey to schools, Education asks officials to describe any challenges their schools faced when implementing the pilot, such as the roles and responsibilities of schools and corrections partners for helping incarcerated applicants complete FAFSAs, as well as how academic programs were determined. In addition, Education asks schools to share examples of any challenges their schools faced when implementing the pilot. Education sent its first annual survey to Second Chance Pell schools in August 2018, in which it asked school officials to reflect on the pilot's first year (2016-2017 school year). Education officials reported that all schools had completed the required reporting for the first year of the pilot (2016-2017) and that as of November 2018, 47 schools had completed their reporting for the second year of the pilot (2017-2018). Specific data elements collected by Education for the pilot are presented in appendix V.

³¹Education officials reported that the department's data collection for the pilot's first year was delayed because of the time required to receive Office of Management and Budget approval to collect the data. As a result, schools were required to provide data for the 2016-2017 school year in spring 2018—roughly a year after the first school year ended.

Education Has Not Yet Evaluated Pilot Results

A key component of the Experimental Sites Initiative—of which Second Chance Pell is a part—is rigorous evaluation of whether experiments achieve their stated objectives. Education is directed to review and evaluate the experiences of schools participating in its experimental sites and report biennially on the findings and conclusions reached regarding each of the experiments conducted.³² Further, the department is directed to make recommendations for amendments to improve and streamline the Higher Education Act, which includes the delivery of federal student financial aid, based on the results of the experiments. However, Education has not established how it intends to evaluate Second Chance Pell or measure the pilot's performance against its objectives.³³

During the course of our review, Education officials provided us with several reasons as to why they were not planning to evaluate the pilot. First, officials said there was no dedicated funding set aside for an external evaluation of the pilot. Second, Education officials said they did not intend to make recommendations regarding changes to federal student financial aid eligibility based on the results of the pilot. Rather than conducting an evaluation, they explained, Education intends to report descriptive information on the pilot, such as the number of students served and the amount of aid disbursed, as it has done in prior reports on its experimental sites. In Education's most recent report on the experimental sites (of the 2010-2011 school year), the department reported that it aggregated outcome measures (such as numbers of students in each experiment) and reviewed comments submitted by

³²Pursuant to 20 U.S.C. § 1094a(b)(2), the Secretary of Education is required to review and evaluate the experience of institutions participating as experimental sites and shall, on a biennial basis, submit a report based on the review and evaluation to the authorizing committees. This report is required to include a list of participating institutions and the specific statutory or regulatory waivers granted to each, the findings and conclusions reached regarding each of the experiments conducted, and recommendations for amendments to improve and streamline the Higher Education Act, which includes the delivery of Title IV federal student financial aid, based on the results of the experiment.

³³As stated in a fact sheet on Second Chance Pell, the pilot's objectives are to test whether participation in high-quality educational opportunities increases after access to financial aid for incarcerated adults is expanded and examine how waiving the restriction on providing Pell Grants to individuals incarcerated in federal or state prisons influences academic and life outcomes. Further, the *Federal Register* states that the pilot will examine whether delivering Pell grants to incarcerated students creates any obstacles or challenges to a school's administration of the Pell grant program. 80 Fed. Reg. 45,964 (August 3, 2015).

participating schools. However, the report noted that this type of anecdotal information could not be used to determine whether experiments were ultimately successful.³⁴

The purpose of a pilot is generally to inform a decision on whether and how to implement a new approach in a broader setting. In this context, leading practices for effective pilot design state that agencies should evaluate the final results of a pilot in order to draw conclusions on whether, how, and when to integrate pilot activities into overall efforts.³⁵ As noted above, Education is required to review and evaluate experiments under the Experimental Sites Initiative and make subsequent recommendations, as appropriate, for amendments to improve and streamline the Higher Education Act, which includes the delivery of federal student financial aid. In this context, we inquired about steps Education could take now, should an evaluation of Second Chance Pell be pursued (including an evaluation limited to an internal effort using existing resources). Education officials agreed that even without funding for an external evaluation, they could use the data they are already collecting to internally evaluate the pilot. In its comments on the draft report, Education stated that it was now planning to evaluate the pilot, consistent with the objectives set out in the Federal Register, and described a number of steps it was taking to do so. We are pleased to see the Department taking these important steps to determining the pilot's impact. An evaluation of Second Chance Pell can help provide policymakers with the information needed to make decisions about the future of Pell grants for incarcerated students.

Conclusions

Pell grants help open the door to a college education for millions of low-income students every school year. However, over the past 24 years, incarcerated students have been generally ineligible for Pell grants. Education's Second Chance Pell pilot presents an opportunity for policy makers and others to see whether participation in postsecondary educational opportunities increases when Pell grants are again made

³⁴Education's 2010-2011 Analysis of the Experimental Sites states, "While schools are able to point to anecdotal information and plausible assumptions in support of deeming the current experiments successful, the designs of the current experiments simply do not provide definitive empirical evidence to support that conclusion."

³⁵[GAO-16-483](#).

available, and to determine what impacts a college education has on an incarcerated person's academic and life outcomes. These impacts may be consistent with past research, which suggests possible benefits to formerly-incarcerated individuals, prisons, and local communities. Second Chance Pell, by the end of its second year of implementation, has allowed thousands of incarcerated students to receive financial aid for college. Evaluating the pilot can help assure Education and Congress have the information needed to make decisions about the future of Pell grants for incarcerated students.

Recommendation for Executive Action

We are making the following recommendation to Education:

- The Secretary of Education should complete its evaluation of Second Chance Pell in order to report on the pilot's findings and conclusions reached.

Agency Comments and Our Evaluation

We provided a copy of this report to Education and DOJ for review and comment. Education provided written comments, which are reproduced in full in appendix VI. DOJ did not provide written comments.

Regarding our recommendation to evaluate Second Chance Pell and report on its findings, Education concurred, with clarification. Education stated that it is already taking a number of actions to evaluate the pilot, including gathering information from participating schools and other sources. Education also stated that it will be analyzing the data it is collecting to report on the pilot's objectives. Education, accordingly, suggested the recommendation should be worded that the Department "continue to" evaluate Second Chance Pell. We describe Education's data collection efforts in our report; however, at the time of our review Education was not able to provide evidence that it was evaluating the pilot and stated on more than one occasion that it planned to report descriptive information about the pilot's outcomes (such as the amount of Pell dollars disbursed), because it did not have funding for an evaluation. We are pleased to see that the Department is now planning to evaluate the pilot and report on the pilot's objectives, and accordingly, we revised our report and recommendation to state that Education should complete its evaluation. An evaluation of Second Chance Pell that goes beyond

summarizing descriptive information can help provide policymakers with the information needed to make decisions about the future of Pell grants for incarcerated students.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies of this report to the appropriate congressional committees, the Secretary of Education, Attorney General, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-8777 or goodwing@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff members that made key contributions to this report are listed in appendix VII.

A handwritten signature in black ink that reads "Gretta L. Goodwin". The signature is written in a cursive style with a large, looping initial "G".

Gretta L. Goodwin
Director
Homeland Security and Justice

Appendix I: Scope and Methodology

To identify the actions Education and other stakeholders took to implement the Second Chance Pell pilot, we reviewed summary-level data from the Department of Education (Education) regarding the first two years of the pilot—school years 2016-2017 and 2017-2018—on the schools that participated in the pilot, the number of incarcerated individuals who applied for and received Pell grants, and other aspects of the pilot. To ensure the reliability of these data, we reviewed agency documentation about the data and the system that produced them and interviewed officials from Education responsible for collecting and validating the data. We found the data to be sufficiently reliable for our purposes. To further identify the actions taken, we reviewed Education’s published guidance on implementing the Second Chance Pell pilot, including the department’s webinars, action plans, and Frequently Asked Questions document. Additionally, we interviewed officials from the Department of Justice, as well as Education’s Office of Federal Student Aid, on the actions taken to prepare for the pilot and the guidance and support provided to participants, among other topics. We also interviewed representatives from three research groups—the Urban Institute, the Vera Institute of Justice (Vera), and New America—in order to gain additional insight on the effects of postsecondary correctional education as well as the design and implementation of the Second Chance Pell pilot.

To further identify what actions schools and correctional facilities took to implement the pilot, we interviewed officials from a non-generalizable sample of 12 schools participating in the pilot. We also interviewed officials from seven correctional facilities who partnered with the participating schools. We used a sampling procedure in which we selected participating schools with particular characteristics to capture both common experiences and important variations among those with differing characteristics. We selected schools to represent a range of characteristics, including public and private nonprofit schools; schools with existing postsecondary correctional education programs and those with programs launched for the pilot; and schools with a varying number

of correctional institution partners (ranging from 1 to 18 partners).¹ We selected schools that offered bachelor's degrees to students participating in the pilot as well as those that offered certificates and associate's degrees. We included one school serving a women's prison, one school that is classified as one of the Historically Black Colleges and Universities, and four schools that are classified as Hispanic Serving Institutions in our sample. Results from nonprobability samples cannot be used to make inferences about a population. Although our findings cannot be generalized to all schools that are participating in the pilot, they do provide useful insight into the experiences of pilot participants.

To describe the experiences that participating schools are having as they implement the Second Chance Pell pilot, we interviewed officials from the non-generalizable sample of schools (and correctional partners) we described above. Additionally, we visited three prisons (Jessup Correctional Institution in Maryland, Mission Creek Corrections Center for Women in Washington State, and Sing Sing Correctional Facility in New York) and one school campus (City University of New York) in order to observe classrooms and student resources such as libraries and study spaces and to talk with selected individuals about their experiences participating in the pilot. Specifically, one of the prisons for men that we visited identified five Second Chance Pell students for us to interview. Each interview was conducted in a private classroom setting with one student and two of our staff members. Each interview lasted between 5 and 10 minutes. Each student was asked the same set of questions about his experience applying for and participating in the Second Chance Pell Pilot Program. Although these interviews were only conducted at one site and are therefore not generalizable to all students participating in the pilot program, they provide insight about the students' experiences. We also observed a pilot-funded class in session at that prison. On one college campus, we interviewed a student who participated in the pilot while he was incarcerated and who was now released and continuing his education on campus. These sites were selected for variation in experience delivering college classes in prisons, number of students served, and to allow us to observe both men's and women's prison facilities. To further understand schools' experiences as they implement the pilot, in June 2018 we attended the third-annual convening of Second Chance Pell partners, which was a 2-day conference for participating

¹We did not select any for-profit schools for our sample because none were chosen to participate in the pilot.

schools, their correctional partners, and other stakeholders, hosted by Vera.

To assess how Education is monitoring and evaluating the pilot, and what opportunities, if any, exist for improvement, we reviewed Education's documentation on the pilot's objectives (including any evaluation objectives), and analyzed the data collection instruments Education uses to monitor the pilot. We met with Office of Federal Student Aid officials to discuss the department's plans for evaluating and reporting on the pilot's results. We compared Education's efforts to leading practices we identified for effective pilot design and evaluation. We interviewed officials knowledgeable in the area of evaluation and prison education, including officials from the Urban Institute, Vera, the Washington State Board of Community and Technical Colleges, and New America. Finally, we asked officials from our purposive sample of schools about their experiences with Education's reporting requirements, perspectives on what additional information Education could collect to demonstrate the outcomes of the pilot, and how schools themselves were measuring the performance of their programs apart from what they were reporting to Education.

We conducted this performance audit from January 2018 to March 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Research on the Effects of Participating in Education while Incarcerated

Summary

Literature on participation in correctional education programs (e.g. adult basic education, GED, and postsecondary programs) suggests there may be benefits for participants, facilities, and taxpayers. For example, some research suggests that participants are less likely to engage in misconduct while incarcerated (leading to a safer facility environment) and more likely to find work after release. Additionally, some research suggests that participants are less likely to commit new crimes after release, a benefit to both the participant and taxpayers (in the form of lower reincarceration costs). The research we identified on correctional education has several limitations, which we discuss at the end of this appendix. Despite these limitations, most of the studies reviewed provide insight into the benefits of correctional education programs.

Our Method to Select Research Literature

To determine what is known about the effects of participation in postsecondary correctional education, we conducted a literature search for studies that analyzed the relationship between inmate participation in postsecondary educational programs while incarcerated and outcomes both while in prison and after release. Our literature search identified 221 published studies for review using a three-stage process. We:

1. Searched 16 authoritative bibliographic databases such as SCOPUS, ERIC, PsychINFO, and ProQuest's Dissertations and Theses Professional using relevant search terms, such as "postsecondary correctional education," "postsecondary education," and "prison,"
2. Identified citations in the studies detailed above that appeared germane to our research interests and did not already appear in our list of studies, and
3. Identified several organizations with subject matter expertise, based on mentions in the studies detailed above and organizations identified

in our prior work.¹ We consulted the website of each organization for any studies on the effects of correctional education.

To assess each study's methodological rigor, we obtained information about each study's methodology. We based our assessments on generally accepted social science standards. We eliminated studies that met any of the following criteria: (1) published prior to 2000; (2) considered the education level of inmates, rather than participating in education while incarcerated; (3) did not include postsecondary educational programs; (4) did not use appropriate statistical methods to adjust, or control, for group differences; or (5) involved a comparison group that was not applicable to our research interests, such as juveniles. In the first stage of the review, we examined the study abstracts. Following the first stage of the review, 42 studies remained. In the second stage, we read the full description of the study's methodology. Following the second stage, 20 studies remained for our in-depth review.

Research Findings

Based on our review of the literature described above, studies found that inmates who participated in a correctional education program while incarcerated generally achieved more positive outcomes after release (e.g. higher employment, lower recidivism) than inmates who did not participate in a correctional education program while incarcerated. In 2013, RAND Corporation published a meta-analysis of 58 studies and found that inmates who participated in correctional education had 43 percent lower odds of recidivating than non-participants, and 13 percent higher odds of obtaining employment.² Many studies we reviewed that tested impacts on one or more measures of recidivism have also found that incarcerated students who participated in a postsecondary program or earned a postsecondary degree while in prison were less likely to be re-arrested or re-incarcerated than those who did not participate. Some research, however, has found that program completion may lead to positive effects more than participation alone. For example, in one study,

¹These organizations include the Urban Institute, the RAND Corporation, the Institute for Higher Education Policy, and the Washington State Institute for Public Policy.

²L.M. Davis, R. Bozick, J.L. Steele, J. Saunders, and J.N.V. Miles. *Evaluating the Effectiveness of Correctional Education: A meta-analysis of programs that provide education to incarcerated adults* (Santa Monica, CA: RAND Corporation, 2013). Estimates of employment effects are based upon the examination of nine effect sizes from seven studies with the two highest ratings of rigor. Estimates of recidivism effects are based upon the examination of 22 effect sizes from 18 studies pooled together.

researchers found completion of a postsecondary program while in prison was associated with significantly and substantively lower odds of returning to prison for either a new crime or a parole violation, but participation in a postsecondary program without completion offered no benefit relative to not having participated at all.³ Additionally, not all researchers have observed positive effects in all study settings. In one three-state study, researchers found that those who participated in a correctional education program were less likely to be re-arrested, re-convicted, and re-incarcerated in two states; in the third state, there were no significant differences between participants and non-participants.⁴

Additionally, some research suggests incarcerated students who participated in a postsecondary program while in prison were more likely to find employment after release, work more hours, or earn higher wages than those who did not participate, but this was not always found. For example, in one study, earning a postsecondary credential while incarcerated was associated with an increase in total hours worked and total wages earned in the first 2 years after release; however, it was not associated with an increase in the odds of finding employment.⁵ Additionally, one study of inmates in three states found no statistically significant difference in post-release employment in the 3-year follow-up among participants in a correctional education program compared to non-participants.⁶

Several studies found that correctional education had positive outcomes for taxpayers due to lower re-incarceration costs. For example, the RAND Corporation estimated that for every dollar spent on correctional

³A. Pompoco, J. Wooldredge, M. Lugo, C. Sullivan, and E.J. Latessa, "Reducing Inmate Misconduct and Prison Returns with Facility Education Programs," *Criminology and Public Policy*, vol. 16, no. 2 (2017). These results apply to the pooled strata. In the non-pooled estimates, one stratum was estimated to have experienced benefits from participation.

⁴S.J. Steurer and L.G. Smith, *Education Reduces Crime: Three-State Recidivism Study* (Lanham, MD: Correctional Education Association, 2003). This study examined a number of different educational programs, including postsecondary programs.

⁵G. Duwe and V. Clark, "The Effects of Prison-Based Educational Programming on Recidivism and Employment," *The Prison Journal*, vol. 94, no. 4 (2014).

⁶Steurer and Smith, "Education Reduces Crime."

education, five dollars are saved on three-year re-incarceration costs.⁷ Another cost analysis in Washington State found that correctional education had a return-on-investment of \$19.62 for participants and taxpayers for each dollar spent, and vocational education in prison had a return-on-investment of \$13.21 for each dollar spent.⁸

A few studies focused on outcomes for participants while they were still in prison, and these generally suggest positive effects. For example, one qualitative study found that participants in a postsecondary correctional education program reported experiencing increased self-esteem and motivation to reach their goals.⁹ A few other studies suggested that participation in education programming reduced misconduct. In one study, participants in college programs (but not other education programs) reported receiving fewer tickets for misconduct.¹⁰ A 2006 meta-analysis, however, found that participating in an educational or vocational program was not as effective at reducing misconduct as were other types of programming.¹¹

Research Limitations

The research we identified on correctional education has several limitations. First, the identified studies often measure dependent and

⁷These results were not based upon a formal cost-effectiveness analysis. Instead, they were determined by a basic cost analysis using estimates of the costs of correctional education and those of incarceration. Additionally, the researchers note that their estimate is a conservative one, as the full cost of incarceration would include the financial and emotional costs to victims.

⁸S. Aos and E. Drake, *Prison, Police, and Programs: Evidence-based options that reduce crime and save money* (Olympia, WA: Washington State Institute for Public Policy, 2013).

⁹D.E. Jones, *Impact of Postsecondary Correctional Education on Self-Efficacy and Personal Agency of Formerly-Incarcerated African-American Men* (Kalamazoo, MI: Western Michigan University, 2017). These findings are based on a phenomenological qualitative study with only eight participants.

¹⁰K.F. Lahm, "Educational Participation and Inmate Misconduct," *Journal of Offender Rehabilitation*, vol. 48, no. 1 (2009).

¹¹S.A. French and P. Gendreau, "Reducing Prison Misconducts: What Works," *Criminal Justice and Behavior*, vol. 33, no. 2 (2006). Specifically, the study found that the 95% confidence interval for the mean effect size that the authors calculated from eight effect sizes reported in the literature includes zero, with a range of -.14 to .18 (i.e., this confidence interval has a 95% chance of including the true effect, which includes zero, or no effect).

independent variables in a variety of ways, which makes comparison of outcomes across studies difficult. For example, some studies define “recidivism” as rearrest within 3 years, while others measure it as re-arrest or reincarceration within 1 year. Another example is that many studies define “participation in education” as participation in a vocational, secondary, or postsecondary program, while others define it as participation specifically in a postsecondary program. Second, of the studies we reviewed all but one include a small, geographically limited, or otherwise non-generalizable sample. Third, many of the studies we reviewed do not examine whether and how characteristics of facilities or implementation procedures may have influenced—negatively or positively—outcomes among participants. We identified nine articles that specifically discuss implementation and facility characteristics; however, none employ robust methodologies to test whether and how these characteristics lead to better outcomes among participants. A fourth limitation is selection bias, which is the possibility that incarcerated students who choose to take classes are meaningfully different from those who choose not to enroll, and that difference is the underlying cause of their positive outcomes. For example, it is possible that incarcerated people who take educational classes are already at the lowest risk of recidivating and have the highest motivation to succeed after release. If this is the case, then lower rates of recidivism and higher rates of employment may be an effect of these characteristics rather than an effect of taking classes while incarcerated. While some of the studies we reviewed took methodological steps to reduce selection bias, not all did.¹²

¹²Examples of methodological steps to reduce selection bias include (1) the random selection of participants and (2) propensity score matching to construct a comparison group that is very similar to participants along important dimensions.

Appendix III: Select Characteristics and Educational Attainment Levels of the Incarcerated Population

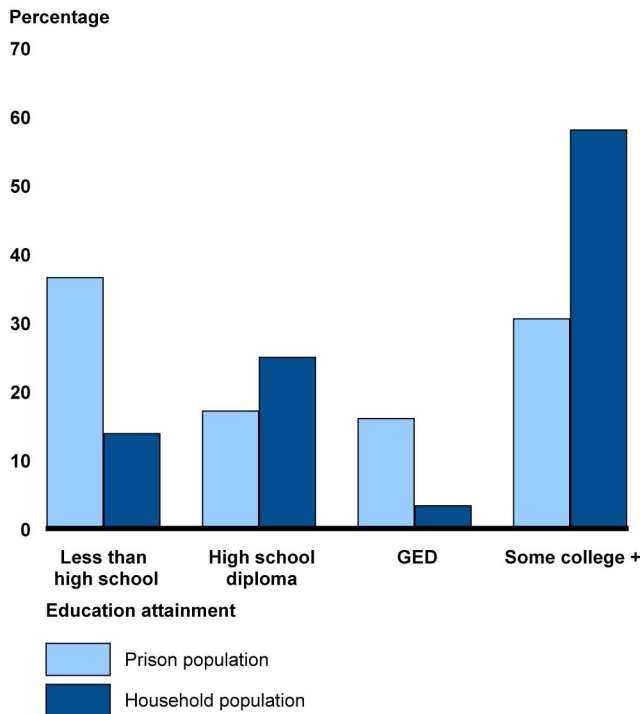
The United States had an estimated 6.6 million prisoners under the jurisdiction of state and federal correctional authorities as of December 31, 2016 (year-end), according to the Bureau of Justice Statistics.¹ According to an analysis of 2009 American Community Survey data, Black, Hispanic, and other non-white individuals make up about 32 percent of the total household population but are about 64 percent of the male prison population. Further, 23 percent of incarcerated men had received some postsecondary education, compared to about 56 percent of men in the household (non-incarcerated) population as shown below in figure 5.²

¹Department of Justice, Bureau of Justice Statistics, *Correctional Populations in the United States, 2016*, NJC 251211, (April 2018).

²Ewert, S and Wildhagen, T. "Educational Characteristics of Prisoners: Data from the ACS." Paper presented at the Annual Meeting of the Population Association of America, Washington DC, April 2011. The American Community Survey (ACS) is a continuous survey of individuals living in households and group quarters, including correctional facilities. The ACS is designed to supplement the decennial census by producing annual estimates describing social, demographic, and economic characteristics of people living in the United States. The adult correctional population in ACS includes adults in federal detention centers, federal prisons, state prisons, local jails (and other municipal confinement facilities), correctional residential facilities, and military disciplinary barracks and jails.

Appendix III: Select Characteristics and Educational Attainment Levels of the Incarcerated Population

Figure 5: Educational Attainment of Men, by Incarceration Status, 2009



Source: GAO analysis of Ewert, S and Wildhagen, T. *Educational Characteristics of Prisoners: Data from the ACS*. Paper presented at the Annual Meeting of the Population Association of America, Washington DC, April 2011. | GAO-19-130

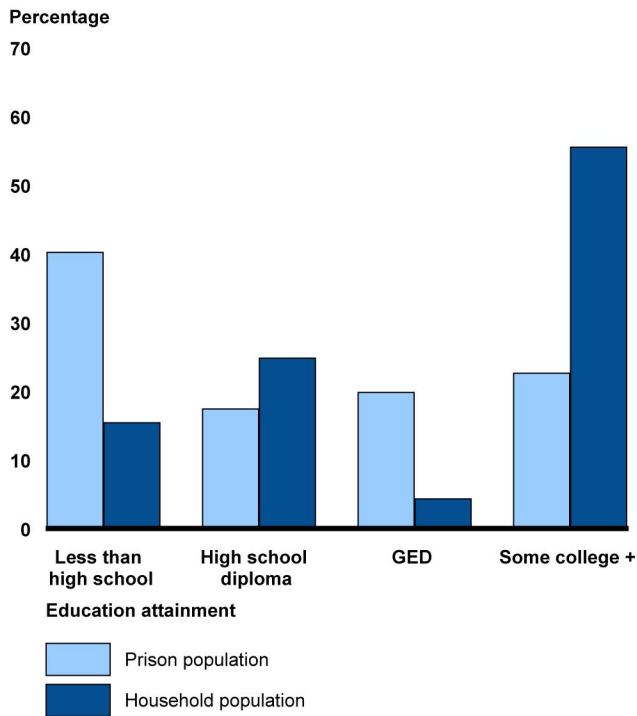
Note: The category “Some college +” includes students with some college credit (but less than 1 year), one or more years of college credit (but no degree), an associate’s degree, bachelor’s degree, master’s degree, professional degree, or doctorate degree.

Among the incarcerated population, the analysis also found differences in educational attainment by race. Specifically, for men age 18-24, about 10 percent of black men and about 11 percent of Hispanic men had completed at least some college, compared to about 17 percent of white (non-Hispanic) men.

The educational characteristics of incarcerated women were similar to that of men. Specifically, incarcerated women have lower levels of educational attainment compared to women living in households; however, incarcerated women had overall higher levels of educational attainment compared to incarcerated men. Fifty-eight percent of women in the household population had some postsecondary education compared to about 31 percent of incarcerated women, as shown below in figure 6.

Appendix III: Select Characteristics and Educational Attainment Levels of the Incarcerated Population

Figure 6: Educational Attainment of Women, by Incarceration Status, 2009



Source: GAO analysis of Ewert, S and Wildhagen, T. *Educational Characteristics of Prisoners: Data from the ACS*. Paper presented at the Annual Meeting of the Population Association of America, Washington DC, April 2011. | GAO-19-130

Note: The category "Some college +" includes students with some college credit (but less than 1 year), one or more years of college credit (but no degree), an associate's degree, bachelor's degree, master's degree, professional degree, or doctorate degree.

Appendix IV: Selected Characteristics of Schools Education Selected to Participate in the Second Chance Pell Pilot

Table 2. Selected Characteristics of Schools Education Selected to Participate in the Second Chance Pell Pilot

Institution Name	State	Institution Type	Postsecondary Credential
Auburn University	AL	Public 4-Year	Bachelor's
Calhoun Community College	AL	Public 2-Year	Certificate
Ingram State Technical College	AL	Public 2-Year	Certificate
Arkansas State University - Newport	AR	Public 2-Year	Certificate, Associate's
**Shorter College	AR	Private, Nonprofit 2-Year	Certificate
California State University Los Angeles	CA	Public 4-Year	Bachelor's
Chaffey Community College	CA	Public 2-Year	Certificate, Associate's
Cuesta College	CA	Public 2-Year	Associate's
Southwestern Community College District	CA	Public 2-Year	Certificate, Associate's
Asnuntuck Community College	CT	Public 2-Year	Certificate
Middlesex Community College	CT	Public 2-Year	Associate's
Quinebaug Valley Community College	CT	Public 2-Year	Certificate, Associate's
Three Rivers Community College	CT	Public 2-Year	Certificate
Florida Gateway College	FL	Public 4-Year	Associate's
Iowa Central Community College	IA	Public 2-Year	Certificate
Holy Cross College	IN	Private, Nonprofit 4-Year	Associate's, Bachelor's
**Mount Wachusett Community College	MA	Public 2-Year	Certificate
Anne Arundel Community College	MD	Public 2-Year	Certificate
Goucher College	MD	Private, Nonprofit 4-Year	Bachelor's
**University of Baltimore	MD	Public 4-Year	Bachelor's
Wor-Wic Community College	MD	Public 2-Year	Certificate
University of Maine - Augusta	ME	Public 4-Year	Associate's
Delta College	MI	Public 2-Year	Certificate, Associate's

**Appendix IV: Selected Characteristics of
Schools Education Selected to Participate in
the Second Chance Pell Pilot**

Institution Name	State	Institution Type	Postsecondary Credential
Jackson College	MI	Public 4-Year	Certificate, Associate's
Mott Community College	MI	Public 2-Year	Certificate, Associate's
Fond du Lac Tribal & Community College	MN	Public 2-Year	Associate's
Pine Technical and Community College	MN	Public 2-Year	Certificate
South Central College	MN	Public 2-Year	Certificate
Metropolitan Community College	NE	Public 2-Year	Certificate
Raritan Valley Community College	NJ	Public 2-Year	Associate's
**Rutgers, the State University of New Jersey	NJ	Public 4-Year	Bachelor's
Bard College	NY	Private, Nonprofit 4-Year	Associate's, Bachelor's
Hostos Community College	NY	Public 2-Year	Associate's
**John Jay College of Criminal Justice	NY	Public 4-Year	Certificate, Associate's
Marymount Manhattan College	NY	Private, Nonprofit 4-Year	Associate's, Bachelor's
**Mercy College	NY	Private, Nonprofit 4-Year	Associate's, Bachelor's
North Country Community College	NY	Public 2-Year	Associate's
Nyack College	NY	Private, Nonprofit 4-Year	Associate's, Bachelor's
**Ashland University	OH	Private, Nonprofit 4-Year	Certificate, Associate's , Bachelor's
Connors State College	OK	Public 2-Year	Associate's
Langston University	OK	Public 4-Year	Bachelor's
Tulsa Community College	OK	Public 2-Year	Certificate, Associate's
Chemeketa Community College	OR	Public 2-Year	Certificate, Associate's
Bloomsburg University of Pennsylvania	PA	Public 4-Year	Certificate
Indiana University of Pennsylvania	PA	Public 4-Year	Associate's
**Lehigh Carbon Community College	PA	Public 2-Year	Associate's
Villanova University	PA	Private, Nonprofit 4-Year	Associate's, Bachelor's
Northeastern Technical College	SC	Public 2-Year	Associate's
Alvin Community College	TX	Public 2-Year	Certificate, Associate's
Cedar Valley College	TX	Public 2-Year	Certificate
Clarendon College	TX	Public 2-Year	Associate's
**Lamar State College - Port Arthur	TX	Public 2-Year	Certificate, Associate's
Lee College	TX	Public 2-Year	Certificate, Associate's
Mountain View College	TX	Public 2-Year	Certificate
**Southwest Texas Junior College	TX	Public 2-Year	Certificate, Associate's
University of Houston - Clear Lake	TX	Public 4-Year	Bachelor's
Wiley College	TX	Private, Nonprofit 4-Year	Associate's, Bachelor's
Danville Community College	VA	Public 2-Year	Certificate, Associate's
Rappahannock Community College	VA	Public 2-Year	Associate's
Bennington College	VT	Private, Nonprofit 4-Year	Associate's

**Appendix IV: Selected Characteristics of
Schools Education Selected to Participate in
the Second Chance Pell Pilot**

Institution Name	State	Institution Type	Postsecondary Credential
Centralia College	WA	Public 4-Year	Associate's
Seattle Central Community College	WA	Public 4-Year	Associate's
**Tacoma Community College	WA	Public 2-Year	Associate's
Milwaukee Area Technical College	WI	Public 2-Year	Certificate, Associate's
**Glenville State College	WV	Public 4-Year	Associate's, Bachelor's

Source: GAO analysis of Department of Education data. | GAO-19-130

Note: Officials from starred (**) schools were interviewed as part of our review.

Appendix V: Data Items Collected by the Department of Education for the Second Chance Pell Pilot

Data Items Collected from Schools Monthly

- Award year (e.g., 2018)
- Experiment number
- Office of Postsecondary Education identification number
- Student Social Security Number
- Student Last Name

Data Items Collected from Schools as Part of Second Chance Pell Annual Reporting

- Student first name
- Student last name
- Student date of birth
- Student Social Security Number
- What experiment is the school reporting on with regard to the student
- Any other experiments in which the student is participating
- Award year
- Student cumulative postsecondary grade point average (or other alternative measure) at the end of the most recently completed award year
- Student enrollment status at the beginning of the first award year in which the student was part of the experiment
- Student enrollment status at the end of the most recently completed award year

- Did the applicant enroll in a program of study at your school not involved with the experiment or enroll at another postsecondary institution during the most recently completed award year
- Student grade level at the beginning of the most recently completed award year
- Student grade level at the end of the most recently completed award year
- How many postsecondary credits/hours were attempted by the student in the most recently completed award year
- How many postsecondary credits/hours were earned by the student in the most recently completed award year
- How much the student was assessed for tuition and other mandatory fees for the most recently completed award year
- The amount of the student's indirect costs that were included in the student's cost of attendance for the most recently completed award year
- Total non-Title IV grant or scholarship aid received by the student for the most recently completed award year
- The total non-Title IV aid awarded to the student for the most recently completed award year
- The total non-Title IV loan aid received by the student for the most recently completed award year
- Did the student complete the academic program associated with the student's participation in the experiment
- Student incarceration status at the end of the most recently completed award year
- Prior to participating in the experiment, was the student enrolled in a postsecondary program while incarcerated
- Was the Free Application for Federal Student Aid (FAFSA) applicant determined not to be eligible for a Pell Grant, and if so, for what reason

Questions Education Asks in its Annual Survey to Schools

- Office of Postsecondary Education identification number and name of school

- Were there any unanticipated positive benefits associated with your institution's implementation of the Second Chance Pell experiment
- Briefly describe any challenges your postsecondary institution encountered in administering the Second Chance Pell experiment
- Were there any unintended negative consequences associated with your institution's implementation of the Second Chance Pell experiment
- Describe the roles and responsibilities of your postsecondary institution staff in assisting (inmate) application for a Pell Grant by completing a FAFSA
- Describe the roles and responsibilities of correctional institution staff performed in assisting (inmate) application for a Pell Grant by completing a FAFSA
- Did your institution add or modify any academic program specifically for the incarcerated students participating in the Second Chance Pell experiment
- Briefly describe how the academic programs offered to incarcerated students participating in the experiment were determined
- How did the tuition and fees charged to incarcerated students participating in the experiment compare to the tuition and fees charged to other students
- Did the correctional institution limit/restrict the participation of any incarcerated individual(s) in the postsecondary opportunities provided by this experiment

Appendix VI: Comments from the Department of Education



January 9, 2019

Ms. Gretta Goodwin
Director, Homeland Security and Justice,
United States Government Accountability Office
Washington, D.C. 20548

Dear Ms. Goodwin:

I am pleased to write on behalf of the U.S. Department of Education (ED) in response to the statements and the recommendation made in the Government Accountability Office's (GAO) draft report, "Federal Student Aid: Actions Needed to Evaluate Pell Grant Pilot for Incarcerated Students."

We appreciate the opportunity to respond to this GAO draft report. The draft report examines (1) actions ED, postsecondary schools, and other stakeholders have taken to implement the pilot; (2) experiences participating schools are having as they implement the pilot; and (3) how ED is monitoring and evaluating the pilot and whether opportunities for improvement exist. GAO found that ED, schools, and other stakeholders took several actions to implement the pilot and that school officials reported some challenges in implementing the pilot but developed new approaches to address these challenges. GAO also found that ED is collecting information on students and schools in the pilot.

We should note, however, that the draft report's statement that ED is not planning to evaluate pilot results is not correct. We are taking, and have taken, a number of steps to evaluate the Pilot in a manner consistent with the requirements under the Higher Education Act and as announced at the outset of the pilot. While GAO recognizes in the draft report that ED is systematically collecting data from schools participating in the pilot, including gathering information on schools' experiences in implementing and administering the pilot, the draft report suggests that the only purpose of our data collection is to monitor Pell Grant disbursements. In fact, data collected, along with data available in other Federal Student Aid (FSA) information systems and extant research on postsecondary correctional education, is being used to evaluate the pilot. Our intention to use the data to support an evaluation was described in the Federal Register announcement seeking public comment in accordance with the Paperwork Reduction Act prior to collecting these data from schools.

With respect to GAO's recommendation included in the draft report, specifically that:

"The Secretary of Education should evaluate Second Chance Pell in order to report on the pilot's findings and conclusions reached."

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Page 2

Given that the evaluation is ongoing, ED concurs with the recommendation with the following clarification: “The Secretary of Education should continue to evaluate Second Chance Pell in order to report on the pilot’s findings and conclusions reached.” As explained above, we have been evaluating the pilot and will continue to do so.

ED will be internally analyzing the information collected from participating schools and reporting on the objectives including: (1) How waiving the restrictions on providing Pell Grants to individuals incarcerated in Federal or State penal institutions influence participation in education opportunities as well as academic and life outcomes; and (2) Examining whether the waiver creates any challenges or obstacles to an institution’s administration of the Title IV Higher Education Act.

I appreciate your examination of our Pell Grant Pilot for Incarcerated Students.

Sincerely,



James F. Manning
Acting Chief Operating Officer

Appendix VII: GAO Contact and Staff Acknowledgments

GAO Contact

Gretta L. Goodwin, goodwing@gao.gov, (202) 512-8777

Staff Acknowledgments

In addition to the contact name above, Melissa Emrey-Arras (Director), Brett Fallavollita (Assistant Director), Charlotte Gamble (Analyst in Charge), Sarah Williamson, Marissa Jones Friedman, Billy Commons, Elizabeth Dretsch, Eric Hauswirth, Debra Prescott, Kevin Reeves, and Ben Sinoff made key contributions to this report.

Appendix VIII: Accessible Data

Agency Comment Letter

Text of Appendix VI: Comments from the Department of Education

Page 1

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