Introduction

Challenges related to higher education affordability have been broadly publicized for the past several decades. According to data from the Georgetown University Center on Education and the Workforce, the average price of tuition, fees, and room and board for undergraduate degrees increased 169% between 1980 and 2020. In just the past decade, student loan debt increased by nearly 80%.

Affordability challenges are particularly impactful for incarcerated students. Research from the Prison Policy Initiative found that the average net worth of incarcerated people prior to incarceration is 41% less than non-incarcerated people. Wages from in-prison employment range between 86 cents and $4.73 per day and prison jobs are still completely unpaid in at least five states.

Most significantly, for the past 28 years, incarcerated and formerly incarcerated students have had drastically limited access to most financial aid and scholarship programs. Prison education programs grew considerably after the passage of the Higher Education Act of 1965. In fact, the number of college-in-prison programs doubled between 1982 and the early 1990s. However, incarcerated students were prohibited from applying for federal aid in the Violent Crime Control and Law Enforcement Act of 1994. In the absence of federal financial aid, college-in-prison programs declined rapidly. Prior to the ban, there were over 770 college-in-prison programs across the
country; three years after the ban, just eight were operating. The closure of college-in-prison programs had a dramatic impact on college attainment rates for incarcerated individuals. In 2004, just 7.3% of state prisoners had taken a college course while in prison, down from 13.9% in 1991. By 2018, just 4% of higher education institutions offered credit courses for students in prison.

Additional barriers to financial aid access while incarcerated create challenges for students. Completing a Free Application for Federal Student Aid (FAFSA) for either federal or state financial aid programs is often difficult for imprisoned students who generally lack internet access and may struggle to obtain required tax verification documents. Additionally, incarcerated students may not necessarily qualify for residency status and be able to obtain in-state tuition, which is significantly more affordable.

State Action

Several states have considered or passed measures in recent years to expand access to state financial aid programs for incarcerated students. Seventeen states have no statutory or regulatory policy that explicitly bans incarcerated students from applying for state financial aid, however other states have barriers or limitations based on incarceration status or other factors. Four states, Louisiana, Mississippi, Oklahoma, and Utah, permanently ban any student with a criminal conviction from state financial aid programs.

In 2019, New Jersey passed SB 2055 which allowed incarcerated students to be eligible for state-funded grants and scholarships. Incarcerated students must apply in the same manner as other students including meeting eligibility criteria. Incarcerated students must also have been a resident of the state for 12 months prior to their date of incarceration. At the time, New Jersey offered college-in-prison classes at seven of its nine correctional facilities and served about 550 students. Michigan also removed a restriction on incarcerated student eligibility for the Tuition Incentive Program scholarship with the passage of HB 4236 (2019).

At least six additional states have considered, but not passed, similar legislation that would expand state financial aid programs to incarcerated students. Two states, Missouri and Tennessee have considered but not passed legislation that would create new scholarship programs for incarcerated students or their families.

In 2021, Oregon passed SB 234, which required the state Higher Education Coordinating Commission to establish a stakeholder group to study ways to best serve adults in custody who are recently eligible to receive student grants. The working group produced a comprehensive report in December 2021.

Federal Action

In 2008, the Second Chance Act authorized federal investment in state and local strategies to reduce recidivism and increase public safety. This included expanded funding for state and local programs that provide postsecondary education in prisons.

In 2015, the Second Chance Pell Pilot Program was established to allow incarcerated Americans to receive Pell Grants for the first time since the 1994 bill was passed. The program launched in 2016 with 67 participant colleges and enrolled over 6,000 students. The program was continued and expanded in 2019. By 2021, the program had expanded to 130 colleges in 42 states. Since the program launched, it has served more than 22,000 students and led to over 7,000 degrees and credentials being attained.

In 2020, with the passage of the FY 2021 Omnibus Appropriations Bill, Congress repealed the ban on financial aid eligibility for incarcerated students and students who have been convicted of drug-related offenses.

Under the provisions of the restoration, a student must:

- Be serving a criminal sentence in a federal, state, or local penal institution, prison, jail reformatory, work farm or similar correctional institution.
- Enroll in an eligible prison education program (programs must also meet requirements)
- Meet other requirements for Pell grant eligibility.

The bill requires the Secretary of Education to implement Pell Grant-eligible prison education programs by July 1, 2023. The Department of Education released proposed regulations addressing Pell grants for incarcerated individuals in July 2022. According to the Vera Institute of Justice, more than 460,000 people who are currently incarcerated will be eligible for this financial aid.

Additional Resources

- NCSL Postsecondary Bill Tracking Database
- A Piece of the Puzzle: State Financial Aid for Incarcerated Students, Vera Institute, 2019
- Proposed Regulations on Prison Education Programs, National Association of Student Financial Aid Administrators