

Expand Pell Grants to Construction

Expand Pell Grant Eligibility to Grow the Construction Workforce

Action Needed:

Support the JOBS ACT. S.206 and H.R.3497 would provide expanded access to training programs in the construction industry that would immediately take a huge step towards bridging the skills gap and helping individuals receive necessary training for job development.

Background:

- The construction industry is facing an unprecedented workforce shortage. Like other industries, the demand for skilled workers to meet our industry's present needs is not being met by current federal workforce policy. Despite the good paying jobs and rising wages the industry is facing a historic worker shortage with record job openings and record low unemployment. According to a 2018 AGC survey, 78% of contractors report having a hard time finding qualified workers to hire and 85% of contractors have a low opinion of the pipeline of future workers.

AGC Message:

- **Pell Grants offer needs-based aid to low-income individuals seeking a career.** These grants provided \$26.9 billion of federal needs-based aid to over 7 million students pursuing a degree during the 2016-2017 school year¹. Programs less than a semester in length are not eligible. Of that sum, only \$1 million went to students pursuing career education programs at less than an associate's degree level.²
- **Close the Skills Gap in Construction.** S.206/H.R.3497, the Jumpstart Our Businesses By Supporting Student (JOBS) Act, provides a bridge to fix our industry's skills gap by amending the Higher Education Act (HEA) to add two categories of qualification for Pell Grants: "eligible career pathway program" and "eligible job training program."
- **Reverse the Higher Education Bias Against Non-Four-Year Degree Programs.** Pell Grants are currently only available to students enrolled in semester long programs— unfairly skewing these resources towards traditional higher education.
- **Competency and Value of a Program Should be Emphasized Over Time.** The length of an educational program should not be the only metric that determines qualification for aid. The current threshold of eligibility requires 600 clock hours of instruction over 15 weeks. The JOBS Act would expand access to qualified programs at as low as 150 clock hours over eight weeks. This change would allow for a host of craft worker industry-recognized certificate programs to become eligible for federal needs-based aid, helping individuals obtain good paying jobs and reinvigorating the once robust pipeline for recruiting and preparing new construction workers.
- **Initiative has Broad, Bipartisan Support.** This legislation has garnered bipartisan support in both chambers of Congress and would build upon the President's budget initiative to expand access to high-quality, short-term programs that lead to a credential, certification, or license in a high demand craft field.

¹ <https://www2.ed.gov/finaid/prof/resources/data/pell-institution.html>;

² <https://www2.ed.gov/finaid/prof/resources/data/pell-data.html>