

September 29, 2023

Director Shalanda Young Office of Management and Budget The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Secretary Miguel Cardona U.S. Department of Education 400 Maryland Avenue SW Washington, DC 20024

Dear Director Young and Secretary Cardona:

As you work on the fiscal year (FY) 2025 President's Budget request, we write to ask the administration to provide robust support for federal student aid in the FY 2025 budget proposal.

Now, more than ever, the programs that help low- and middle-income students access and succeed in postsecondary education need additional funding to ensure that students with disrupted educations during the pandemic can pursue their higher education goals. As the nation recovers from the pandemic, we have seen a concerning trend in declining enrollment,¹ as student aid has not kept up enough to support access and success in higher education. Investing in higher education supports our workforce, college graduates are much more likely to be employed, and college graduates earn and contribute to the economy much more over their lifetime than adults without a college degree.^{2,3} Further, strengthening and increasing student aid and outreach programs can improve socioeconomic diversity and equity in college applications, enrollment, persistence, and completion. It also helps to improve economic mobility for those from low socioeconomic backgrounds.⁴

For FY 2025, we respectfully request significant increases for the following:

Pell Grants: We greatly appreciate President Biden's FY 2024 budget proposal, which took steps toward doubling the Pell Grant maximum award by 2029. Similarly, we urge

https://nscresearchcenter.org/current-term-enrollment-estimates/

https://www.aplu.org/our-work/4-policy-and-advocacy/publicuvalues/societal-benefits/

https://newsroom.collegeboard.org/college-education-pays-new-college-board-report

¹ National Student Clearinghouse Research Center. (2023, May). Current term enrollment estimates.

² Ma, J., & Pender, M. (2023). *Education pays 2023: The benefits of higher education for individuals and society*. College Board. <u>https://research.collegeboard.org/media/pdf/education-pays-2023.pdf</u>

³ Association of Public & Land-Grant Universities. (n.d.). How do college graduates benefit society at large?

⁴ College Board. (2020, November 4). A college education pays off: New College Board report.

the administration to request robust support for the Pell Grant program in FY 2025. The Pell Grant program is the single most important tool to enable low-income students to afford college, yet the current maximum Pell award still covers the lowest share of costs in the program's over 50-year history. Doubling the maximum Pell Grant to at least \$13,000 would restore much of the purchasing power of the program and increase college affordability for students.

Campus-Based Aid: In the FY 2024 budget, we were disappointed the administration did not request increases for campus-based aid programs, and we remain concerned about proposed numbers in the House that would eliminate funding for these crucial programs. As such, we urge the administration to signal its strong support for these programs by calling for significant increases in funding for FY 2025.

The campus-based aid programs are critical components of federal student aid. These programs have always required "skin in the game" from institutions by requiring a match from colleges to participate. The two main campus-based aid programs are Federal Supplemental Educational Opportunity Grants (SEOG) and Federal Work-Study (FWS). SEOG provides targeted, need-based grant aid of up to \$4,000 per student to 1.7 million students. Participating colleges match federal dollars to make more than \$1 billion in grant aid available. Over 99 percent of all SEOG recipients are Pell Grant recipients, and SEOG recipients have higher need on average than students receiving only Pell Grants. SEOG is not duplicative of the Pell Grant program.

The FWS program provides federal and institutional funding to support part-time employment for more than 660,000 students to help them pay their college costs. Studies show that work-study participants have higher persistence and graduation rates.

TRIO: We appreciate the President's commitment to provide historic increases to TRIO. Increased funding for this program would allow for strengthening the academic, financial, and cultural supports provided by TRIO, and allow programs to keep pace with the drastic increase in cost of maintaining high quality services. A robust increase for TRIO will help ensure that low-income students, first-generation students, and students with disabilities successfully prepare for, enroll in, and graduate from postsecondary programs and make wise choices in financing their education.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP): We appreciate the administration's request for GEAR UP increases. A robust increase for GEAR UP is needed to meet the high demand from new communities, states, and expiring grantees to apply for new awards. GEAR UP has a proven track record of success in preparing students to enter and succeed in college.

Graduate Assistance in Areas of National Need (GAANN): The GAANN program should receive a robust increase in funding to show support and provide much needed investments for this important program. GAANN competitive grants support students studying in fields directly related to American competitiveness.

We appreciate your support for all students, and we call on you to continue this support for all federal student aid programs, which include grants, work-study, loan, and college outreach and completion programs. We strongly believe that this support will enable lowand middle-income students to succeed on their postsecondary education journey. Sincerely,

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