



Student Aid Alliance

March 18, 2019

The Honorable Rosa DeLauro
Chairman
Committee on Appropriations
Subcommittee on Labor, Health and
Human Services, Education,
and Related Agencies
United States House of Representatives
2358B Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Cole
Ranking Member
Committee on Appropriations
Subcommittee on Labor, Health and
Human Services, Education,
and Related Agencies
United States House of Representatives
1016 Longworth House Office Building
Washington, DC 20515

The Honorable Roy Blunt
Chairman
Committee on Appropriations
Subcommittee on Labor, Health and
Human Services, Education,
and Related Agencies
United States Senate
131 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Committee on Appropriations
Subcommittee on Labor, Health and
Human Services, Education,
and Related Agencies
United States Senate
156 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairs DeLauro and Blunt and Ranking Members Cole and Murray,

We write on behalf of the Student Aid Alliance to thank you for your efforts in support of the student aid programs in the FY 2019 Labor-HHS-Education Appropriations Act. Under your leadership, your committees provided historic increases for the programs that help low- and middle-income students access and succeed in postsecondary education. In a time when bipartisan agreements often seem hard to reach, we were extremely grateful for the way you and your members continued the tradition of strong bipartisan support for federal student aid.

As you begin to work on the FY 2020 appropriations process, we ask that you carry this commitment forward. First, we ask that the statutory budget caps for FY 2020 and FY 2021 be substantially increased to avoid deep cuts to nondefense discretionary spending. Second, we ask that the Labor-HHS-Education Appropriations subcommittee receive its fair allocation from the increased caps. And finally, we ask that student aid funding remain

a priority as you prepare the bill.

The specific funding levels identified below are intended to ensure that programs reach a level of funding consistent with what appropriators have provided in the past. The benefits of restoring funding in this manner are clear and direct. Enabling students to pursue postsecondary education has significant benefits for our country as a whole. A better-educated workforce means a stronger economy with lower unemployment, greater earnings, and less need for social services. A real effort to build our economy requires a vigorous postsecondary education component.

To that end, our members request at least the following FY 2020 appropriation levels for student aid programs:

Pell Grants: The Pell Grant maximum should be increased to at least \$6,345, and the appropriate level should be \$6,655.

The Pell Grant program is the single most important tool to enable low-income students to afford college. CBO estimates nearly 7.5 million students will use Pell Grants in the coming academic year to finance their education. With the expiration of the automatic inflation adjustment for the Pell Grant maximum, we encourage you to continue to provide sufficient discretionary funding to ensure the neediest students do not fall further behind.

Had the Pell Grant maximum award simply kept pace with inflation from FY1975 (the first year the program served the majority of undergraduates), the award level would be \$6,655 in FY20. This level represents an appropriate target for appropriators.

At a minimum, Congress needs to provide an increase sufficient to match projected inflation for FY20. An increase in the maximum grant to \$6,345 would reflect an adjustment to the FY19 Pell Max of \$6,195 at CBO's current projected CPI for FY2020, ensuring that the purchasing power of the program does not decline.

We strongly encourage the subcommittees to avoid rescinding appropriations from the Pell Grant program. Using Pell Grant funding for other programs in the Labor-HHS-Education bill puts the future stability of the program in jeopardy. With numerous economic projections of a pending economic downturn, it would be disastrous to undercut Pell funding only to see costs soar in the short-term. The same situation occurred in the years following the Great Recession when participation in Pell Grants surged and cuts to benefits and eligibility were made to restrain costs. These changes resulted in hundreds of thousands of students being pushed out of the program. To avoid this happening again, we strongly urge your committees to preserve Pell funding within the program.

Campus-Based Aid: The campus-based aid programs are critical components of federal student aid. These are the original risk-sharing programs and require

institutions to match federal funding to participate. The two main campus-based programs are the 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 1.6 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. The FWS program provides federal and institutional funding to support part-time employment for more than 700,000 students to help them pay their college costs. Studies show that students who work on campus have higher graduation rates.

Over the last decade, both of these programs have seen level or reduced funding year after year, eroding their ability to serve low- and middle-income students. In our FY19 request, we identified funding levels that would have matched their pre-sequester levels, adjusted for inflation. Both programs were level-funded in FY19, and we would ask your committees to target the increases we identified last year for these programs. For SEOG, that would be \$1.028 billion and for FWS it would be \$1.434 billion. We understand that meeting these requests would require a substantial increase and may not be possible in one year. We urge you to consider the importance of restoring full funding for these programs and work towards that in FY 2020 appropriations.

TRIO: TRIO should be increased to \$1.12 billion. In addition to strengthening the academic, financial, and cultural supportive services provided by TRIO, this funding amount would allow for strong investment in the only national college retention and completion program, Student Support Services (SSS). Despite the overall gains in TRIO funding over the last several years, during the 2018-2019 academic year, *SSS had just 90% of the purchasing power it had in 2010*. A robust investment in TRIO SSS will help ensure that low-income, first-generation students and students with disabilities successfully persist in and graduate from postsecondary programs and make wise choices in financing their educations.

GEAR UP: GEAR UP should be funded at \$395 million. This increase would bring approximately 70,000 new students into the program and increase the overall number of students served to 770,000. Without increased funding, no new State and Partnership GEAR UP grant awards will be made. 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): Graduate education should be funded at \$48 million, the pre-sequester high water mark for funding graduate education in the humanities, adjusted for inflation. GANN competitive grants offer support to top students studying in fields directly related to American competitiveness.

LEAP Grants: Leveraging Educational Assistance Partnership grants should be funded at \$65 million. While this program has not been funded since FY 2011, it

has not been repealed, and provides a strong federal-state partnership for states to increase their efforts to support need-based financial aid.

Thank you for considering our request. Without the strong partnership between the federal government, states, institutions, and families, millions of students would not be able to go to college. We call on Congress to continue its bipartisan support of federal student aid programs—which combine grants, work-study, and loan programs—to enable low- and middle-income students to succeed.

Sincerely,



Ted Mitchell
Co-Chairman



David Warren
Co-Chairman