



*The **Student Aid Alliance** is a coalition of organizations representing millions of students, parents, colleges and universities, and others, who believe that all qualified students should be able to go to college, regardless of their financial resources.*

FY 2012 Appropriations Request of the Student Aid Alliance

Without the continued strong partnership between the federal government, states, institutions and families, millions of students will not be able to go to college and our country will be deprived of the talent pool needed to secure future national progress and prosperity. In our FY 2012 appropriations request, we call on Congress to continue its bipartisan support of the federal student aid programs—which combine grant, work-study and loan programs—to enable low- and middle-income students to succeed.

The FY 2011 continuing resolution had a disproportionately negative impact on student aid programs. The Pell Grant Program alone saw a \$9 billion cut through the elimination of the year-round Pell award. Funding for the Leveraging Educational Assistance Partnerships (LEAP) Program was eliminated in its entirety, decreasing available aid to students by more than \$1 billion. The Supplemental Educational Opportunity Grant (SEOG) Program was cut \$20 million, reducing the amount of additional grant aid available to the poorest students. The TRIO and GEAR UP programs, which are critical to ensuring low-income students succeed in their studies, had funding reductions of \$26.6 and \$20.4 million, respectively. Additionally, interest rates on federal student loans for undergraduates will double from 3.4 percent this year to 6.8 percent on July 1, 2012. Students seeking to enter school now will be faced with greatly reduced aid at the same time their loans become much more expensive. This will force many students to abandon their pursuit of a college degree and deprive our economy of skilled workers.

Our members recognize that all options should be on the table in addressing the federal deficit. But cutting back on programs that will strengthen our future work force is counterproductive to sparking innovation, increasing employment and stimulating business growth. A real effort to build our economy requires a postsecondary education component. Therefore, we request Congress provide the following FY 2012 appropriation levels for the student aid programs:

Provide sufficient funding to maintain the maximum Pell Grant award of \$5,550. The Pell Grant Program is the foundation of federal student aid and the core component of federal support for low-income students in pursuit of postsecondary degrees. While the program's growing cost poses challenges, it is vital to maintain the maximum award promised to low-income students and their families. We strongly believe if any further changes to the Pell Grant Program are considered, those changes should continue to ensure the greatest aid remains available to the students with the highest need.

SEOG should be restored to \$757.5 million. SEOG provides a valuable return on investment, with the federal share significantly overmatched by institutions, thus generating far greater aid to students. Funding for the program has been frozen since FY 2008.

Fund the Federal Work-Study (FWS) Program at \$980.5 million. This is the same amount provided since FY 2007 and would restore the across-the-board reduction. Much like SEOG, FWS builds a partnership with institutions that allows students to earn aid through employment on campus and in the community, leveraging far greater aid to students than the federal share alone.

The Federal TRIO Programs should be funded at \$920.1 million. This is the minimum level needed to maintain current operations and prevent 96,000 students from losing program services. TRIO Programs serve approximately 840,000 students—36,000 less than in FY 2005—ranging from middle school through college, including military veterans and students with disabilities, and provide a path to prosperity for these students.

GEAR UP should be funded at \$333 million. The current funding levels will result in 40,000 students losing program services. GEAR UP has a demonstrated track record of success in preparing student to enter and succeed in college. Eliminating this support will have strong negative economic impact.

The Perkins Loan Program requires \$125 million for loan cancellations. The federal government provides a number of options for loan cancellations in the Perkins Loan Program, but has not provided reimbursements to institutions as required by law over the last several years. As a result, institutional revolving fund balances are declining by hundreds of millions of dollars, which would otherwise be available to make low-interest Perkins Loans to new students. Funding for capital contributions would also increase the availability of low-interest, good-term loans to low-income students.

Maintain the in-school interest subsidy for graduate student loans. The proposal to eliminate the in-school interest subsidy seeks to capture a small pool of savings by removing a primary source of support for graduate students. This is a short-sighted approach when our economic and security interests are increasingly dependent on developing more of our domestic talent pool with advanced skills and knowledge. Eliminating what little support is currently given to graduate students across key fields critical to our national need will have a detrimental impact on our future capacity to innovate and be competitive in the global economy.

Provide \$9.69 million in funding for the Jacob K. Javits Fellowship Program and restore the Graduate Assistance in Areas of National Need (GAANN) Program to FY 2010 levels. These two programs offer support to top students studying in fields directly related to American competitiveness

Congress should provide \$64 million in funding to restore the Leveraging Educational Assistance Partnerships (LEAP) Program. This program provides incentives to the states to continue state-based financial aid programs. The small federal investment in LEAP generates a massive return, over \$1 billion in aid to students. LEAP also helps to guarantee that the states remain equal partners with the federal government in ensuring low-income students have access to higher education.



2011 Members

AACRAO: American Association of Collegiate Registrars and Admissions Officers
Alliance for Excellent Education
American Association of Colleges for Teacher Education
American Association of Colleges of Nursing
American Association of Colleges of Osteopathic Medicine
American Association of Colleges of Pharmacy
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
American Dental Education Association
American Federation of Teachers
American Indian Higher Education Consortium
American Society for Engineering Education
American Student Association of Community Colleges
APPA
Association of Advanced Rabbinical and Talmudic Schools
Association of American Law Schools
Association of American Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Association of Research Libraries
Coalition of Higher Education Assistance Organization
College Parents of America
Columbia University
Consortium of Universities of the Washington Metropolitan Area
Council for Christian Colleges and Universities
Council for Higher Education Accreditation
Council for Opportunity in Education
Council of Graduate Schools
Council of Independent Colleges
Educational Testing Service
EDUCAUSE
Georgetown University
Harvard University
Massachusetts Institute of Technology
Michigan State University
NAFSA: Association of International Educators

NASSGAP Federal Relations Committee
National Association for College Admission Counseling
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of College Stores
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National Association of State Student Grant and Aid Programs
National Association of Student Financial Aid Administrators
National Association of Student Personnel Administrators
National College Access Network
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National Council of Higher Education Loan Programs, Inc.
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