



May 26, 2022

The Honorable Rosa DeLauro
Chairwoman
House Appropriations Labor, Health
and Human Services, Education, and
Related Agencies Subcommittee
Washington, DC 20515

The Honorable Tom Cole
Ranking Member
House Appropriations Labor, Health and
Human Services, Education, and Related
Agencies Subcommittee
Washington, DC 20515

Dear Chairwoman DeLauro and Ranking Member Cole:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I write to urge you to support students and families across the country through meaningful increases in funding levels for the Department of Education federal student aid programs in fiscal year (FY) 2023. NASFAA represents more than 32,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. All told, NASFAA members serve nine out of every ten undergraduate students.

Since their inception, the federal student aid programs have served the important role of opening the doors to educational opportunity to support the needs of the nation's increasingly knowledge-based economy. Federal student aid programs support students at the diverse institutions of higher education nationwide—from community colleges to regional public universities to HBCUs. Unfortunately, across the federal student aid programs, funding available to students has remained largely flat over the decades when adjusting for inflation.

We applaud Congress for the \$400 increase provided to the Pell Grant through FY 2022 appropriations, bringing the maximum award to \$6,895 for the 2022-23 award year. This

increase will provide millions of Pell Grant recipients with additional funds to pursue postsecondary education and represents an important step towards restoring its purchasing power for low- and moderate-income students. We also appreciate the FY 2022 funding increases in the campus-based aid programs, which play a pivotal role in promising college access for millions of students each year. The \$20 million increase in Federal Work-Study (FWS) and \$15 million boost to the Federal Supplemental Educational Opportunity Grant (FSEOG) program will help ensure as many students as possible gain valuable work experience and receive much-needed funding to help cover college expenses.

While the funding levels set in FY 2022 are a step in the right direction, the needs of students have never been greater. As your committee begins work on funding for FY 2023, we encourage you to build on the funding levels set in FY 2022 and support robust increases to the federal student aid programs.

Double the Maximum Pell Grant to \$13,000.

The Pell Grant is the foundational federal student aid program, ensuring students from low-income families can access postsecondary education. Approximately seven million students rely on Pell Grants to attend college each year, and roughly 80% of recipients come from families with an income of less than \$40,000.

The financial aid community urges Congress to double the maximum Pell Grant to \$13,000 in fiscal year 2023. Though we recognize the \$400 increase to the maximum award passed in FY 2022 represented the largest increase in the maximum award in more than a decade, more is

needed to ensure the program continues to move the needle in postsecondary access for low-income students. Despite the increased attention to the importance of college affordability, the Pell Grant has lost much of its purchasing power over the last four decades. While the grant covered 78 percent of the cost of attendance at a four-year public college in FY 1975, today's maximum award covers just 28 percent.

Doubling the maximum Pell Grant will restore much of the program's purchasing power, expand eligibility to additional low- and moderate-income students, and provide current and new recipients with additional grant dollars that will allow them to borrow less in federal student loans. For decades, Congress has pushed off desperately needed investments in the program. Today's students and families are paying the price for that stagnant funding and are depending on lawmakers to take bold and long-overdue action to bolster the federal Pell Grant. As we approach the program's 50th anniversary next month, there is no better time for Congress to double the maximum Pell Grant, making up for decades of lost investments and in turn expanding postsecondary opportunities for millions of students across the country.

Increase discretionary funding for the Federal Pell Grant Program and protect the program's unobligated balances.

In addition to doubling the maximum grant amount, we urge you to make meaningful progress towards doubling the maximum Pell Grant by increasing the program's discretionary funding and protecting its unobligated balances. Rescinding unobligated balances from the Pell Grant Program puts a vital program in jeopardy of fiscal instability. As recently as 2011, Pell faced a shortfall requiring congressional action to remedy. It is prudent to ensure adequate funds are

available for a program that makes accurate program cost estimates difficult. Periods of economic downturns can accelerate the depletion of unobligated funds, as displaced workers and others may pursue postsecondary education to retool, thereby increasing Pell Grant participation. The fiscal year 2022 omnibus rescinded \$1.05 billion from the program's reserve, more than double the amount rescinded in the previous year. With the pandemic's economic impacts still not fully known, it is critical to protect reserve Pell funds to ensure the program's stability for students and families who rely on the Pell Grant to access higher education each year. Since the Pell Grant program functions as an entitlement, shifting the program's funding stream from the discretionary year-to-year allocation to full mandatory funding would be the most effective funding mechanism. In the absence of full mandatory funding Congress should at the very least increase the program's discretionary funding and preserve its unobligated balances.

Support at least \$1.52 billion for Federal Work-Study (FWS) and \$1.09 billion for the Federal Supplemental Educational Opportunity Grant (FSEOG) Program.

The campus-based aid programs provide students with financial resources to help pay for college and offer a cost-effective strategy for the federal government since institutions must match federal dollars and demonstrate institutional commitment to federal student aid. The Federal Supplemental Educational Opportunity Grant program provides targeted grants to low-income undergraduates with the greatest demonstrated financial need, and the Federal Work-Study program provides undergraduate and graduate students with additional funding through part-time jobs. There are approximately 1.6 million FSEOG recipients and 700,000 FWS recipients annually. Nearly 70% of dependent FSEOG recipients have family incomes below \$30,000 a

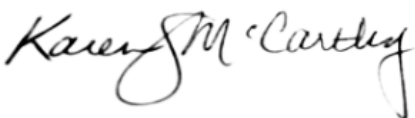
year, and 43 percent of dependent undergraduate FWS recipients have family incomes below \$42,000.

Despite the important role the campus-based aid programs play in providing students with much-needed funding and valuable professional experiences, funding for both FSEOG and FWS has remained flat over the last decade after adjusting for inflation. To maximize the number of low- and middle-income students who are able to benefit from these important programs, Congress should provide \$1.52 billion for Federal Work-Study and \$1.09 billion for the Federal Supplemental Educational Opportunity Grant program.

In addition to these priorities, we ask Congress to support other important programs, including the Federal TRIO Programs and GEAR UP, and provide the necessary funds for student aid administration.

Now, more than ever, robust funding to support the federal student aid programs should continue to remain a bipartisan priority. We look forward to working with you as the appropriations process moves forward.

Sincerely,

A handwritten signature in black ink that reads "Karen McCarthy". The signature is written in a cursive, flowing style.

Karen McCarthy, Vice President of Public Policy and Federal Relations

cc: Members of the House Committee on Appropriations