

# Student Aid Alliance



Invest in futures.  
Theirs and ours.

Since the G. I. Bill, the federal government has taken the lead in making the American dream of a college education possible. The combined impact of grant, work-study, and loan programs is what makes the difference for low-income students. Without the partnership between the federal government, states, institutions and families, millions of students would not be able to go to college. The Student Aid Alliance is a coalition of organizations representing 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. We call on the 110<sup>th</sup> Congress to support our request for a substantial increase in the federal student aid programs:

- **The maximum Pell Grant should be increased to \$5,100.** Pell Grants provide basic college assistance to financially disadvantaged students. The grants are the foundation of a low-income student's aid package. More than 5.2 million students with a median family income of less than \$20,000 received Pell Grants in FY 2006. Without Pell Grants, millions of students could not go to college.
- **SEOG funding should be increased to \$1 billion.** The Supplemental Educational Opportunity Grant (SEOG) program provides up to an additional \$4,000 in grant assistance to Pell Grant recipients in order of need. SEOG expands college options for these students. Colleges and universities match one-to-three the federal SEOG funds.
- **Federal Capital Contributions for Perkins Loans should be restored to \$100 million.** Perkins Loans are a key part of student aid, with a low interest rate and flexible repayment terms, and they are targeted to help low-income students. Capital invested in Perkins loans is matched by schools and recycled again and again to help future generations. **Perkins Loan cancellation reimbursements should be increased to \$120 million,** to fully reimburse colleges for loans forgiven for students who pursue public service careers. Years of under-funding is depleting campuses' Perkins Loan revolving funds, hurting future generations of students who may want to take a public service job.
- **Federal Work-Study (FWS) should be increased to \$1.25 billion.** FWS provides students money to pay for college through jobs on campus, in the community, and in the private sector. This self-help program encourages 810,000 financially disadvantaged students to develop strong work habits and gain exposure to potential employment opportunities. FWS funds must be matched by at least one-to-three. FWS has suffered a \$30.6 million decrease since FY 2002, and now with the pending \$2.10 increase in the minimum wage, FWS funds must be increased. Many schools will need additional federal funds to meet the minimum wage requirement for student employment, including community service placements. Without it, campuses will have to reduce FWS recipients.
- **Leveraging Educational Assistance Partnerships (LEAP) should be increased to \$100 million.** The LEAP program encourages states to continue to expand their own grant programs and improve access for low-income students. States match each federal dollar two-to-one. At \$100 million, LEAP would provide an estimated \$270 million in need-based grants.

- **TRIO should be increased to \$1 billion.** The TRIO programs are designed to help low-income, first-generation college students prepare for, enter, and graduate from college. TRIO Programs help students overcome non-financial barriers to higher education through support services. Two-thirds of TRIO students come from families with incomes of less than \$24,000 where neither parent graduated from college. After three years without an increase in funding, it is time for a substantial increase for the TRIO programs. The TRIO programs currently serve over 870,000 students in all 50 states. An increase to \$1 billion dollars would allow for an additional 272,000 students to be served in 2008.
- **Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) should be increased to \$350 million.** GEAR UP provides students from low-income schools with the necessary academic skills and aspirations to successfully prepare for and succeed in college. The program uses a coordinated K-16 approach and is designed to increase student academic preparation and performance; create systemic education reform; and leverage additional matching resources beyond the federal investment, including business sector contributions. With a foundation of early academic interventions, a strong academic core program, parental and community involvement, GEAR UP has served millions of low-income students in 48 states, four territories, and the District of Columbia since 1998. An appropriation of \$350 million in FY08 would serve an additional 175,000 students.
- **Graduate level programs should be increased to \$72 million.** Graduate Assistance in Areas of National Need provides for graduate student traineeships for teaching and research. GAANN should be funded at \$50 million. The Jacob Javits Fellowship program gives portable grants to graduate students in several academic areas, and is the only federal program that supports students in the arts and humanities. Javits should be funded at \$17 million. The Thurgood Marshall Legal Educational Opportunity Program, which should be funded at \$5 million, helps disadvantaged students gain access to, and complete law school.

Additionally, the Ronald E. McNair Postbaccalaureate Achievement Program (funded under the TRIO programs) prepares undergraduates from disadvantaged backgrounds for doctoral studies. McNair should be funded at \$50 million. Our nation needs highly skilled professionals to ensure our economic competitiveness and national security. All these programs have been flat-funded or cut over the last five years.