American Council on Education™
Leadership and Advocacy

Office of the President

November 17, 2011

Dear Chairman Rehberg and Subcommittee Members:

As you continue your work on the FY 2012 Labor-HHS-Education Appropriations bill, we write as a community to express two commonly held, significant concerns with the approach outlined in the subcommittee proposal.

First, we appreciate the difficult choices facing the Committee as it attempts to fill the existing $1.3 billion shortfall in the Pell Grant program. As members of the higher education community, we are eager to assist you in finding the best way to achieve the necessary savings. That said, we oppose cuts to student aid programs that go beyond the $1.3 billion target, as was proposed in the House draft bill. Therefore, if any cuts prove necessary, they should be as narrowly tailored as possible to the funding situation at hand. In order to protect the neediest students, any substantive revisions to the Pell Grant formula must be handled in a deliberate and open process under the stewardship of the authorizing committee. Otherwise, there is a real risk of significant, unintended consequences.

A second commonly held position is our opposition for including language that mandates the Secretary of Education to ratably reduce the Pell Grant award when program funds run short. In 2005, Congress enacted a budget scoring rule that charges the Appropriations Committee with the full cost of the program based on the President’s budget. This mechanism works on a “pay-as-you-go” basis and has been remarkably effective. Without a doubt, the scoring rule makes it harder for the committees to find sufficient funds when the cost of the program is running high. At the same time, it ensures the federal government is meeting its obligation to low-income college students. Because of the success of this rule, we believe mandating a ratable reduction by the Secretary of Education is not only unnecessary, but could also lead to less responsible budget planning by Congress. We also believe this language cedes congressional control of appropriations to the executive branch, while making Congress less accountable.

While the authority has existed at the Department in the past, to our knowledge, it has only been used once, in the 1980s, causing mid-year reductions in low-income students' grants, and processing chaos for financial aid offices across the country. As a result, Congress removed the authority shortly thereafter.

1 Dupont Circle NW   Washington, DC 20036-1193   P 202 939 9355   F 202 833 4762   www.acenet.edu

The Pell Grant award should be reliable and predictable. Such unpredictability would play havoc with the college plans and completion goals of millions of low-income students. It is not right to pull the rug out from under students who are planning their college budgets based on certain expectations about how much Pell Grant support they will receive.

Student aid is an investment in all our futures. With the economy struggling to recover, and millions of students going to college to improve their employment opportunities, forcing unnecessary cuts in the Pell Grant maximum would make reaching success even harder for these students.

Sincerely,

Molly C. Broad

Molly Corbett Broad
President

MCB/ldw

On behalf of:

American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Council for Opportunity in Education
Hispanic Association of Colleges and Universities
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators
UNCF