

**Public Witness Testimony**  
**U.S. Senate Committee on Appropriations,**  
**Subcommittee on Labor, Health and Human Services, Education, and**  
**Related Agencies**  
**June 1, 2018**  
**Submitted by Ted Mitchell, President, American Council on Education**  
***In support of the U.S. Department of Education***

Chairman Blunt, Ranking Member Murray, and members of the subcommittee, thank you for the opportunity to testify about the importance of funding for the federal student aid and postsecondary education programs at the U.S. Department of Education. The American Council on Education (ACE) represents nearly 1,800 two-year and four-year colleges and universities, as well as higher education organizations.

We would like to first thank the subcommittee for your leadership and championship of federal student aid programs in the fiscal year (FY) 2018 appropriations bills. The increased funding will expand access and encourage completion for our students. We are especially grateful for the \$175 increase to the maximum Pell Grant, which will help over seven million low-income families access postsecondary education. Today, I urge you to continue to support and protect the Pell Grant (administered by the U.S. Department of Education) by increasing the maximum award enough to at least keep pace with inflation, continuing to fund year-round Pell, and opposing any cuts to the program. This includes cuts to the so called “Pell surplus,” which remains an important guarantee of Pell investments in the future.

As you now turn your attention fully to FY 2019 appropriations, we ask that you carry this commitment forward. While we recognize that the allocation for the FY 2019 Labor-HHS-Education and Related Agencies appropriations bill will be level with FY 2018, we urge you to continue to keep student aid funding a priority. The requests 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 individuals and for our country as a whole. A better-educated workforce means a stronger economy with lower unemployment, greater earnings, higher tax revenues, and less need for social services. A real effort to build our economy requires a vigorous postsecondary education component.

To that end, we support increasing the Pell Grant maximum to \$6,230 in FY 2019. Pell Grants are the foundation of federal student aid and the Congressional Budget Office (CBO) estimates over 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 equivalent is provided for the neediest students. An increase in the maximum grant to \$6,230 would reflect an adjustment to the FY 2018 Pell Max of \$6,095 at CBO's current projected Consumer Price Index (CPI) for 2018, ensuring that available aid keeps pace with inflation.

In addition, we strongly encourage the subcommittees to avoid rescinding appropriations from the Pell Grant program. In the last decade, benefits and eligibility for Pell Grants were repeatedly cut in response to funding shortfalls, pushing hundreds of thousands of students out of the program. Using Pell Grant surplus dollars to fund other programs in the Labor-HHS-Education bill puts the future stability of the program in jeopardy.

Like the Pell grant, 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 order to restore the purchasing power of these programs, Congress should fund them at their pre-sequester levels, adjusted for inflation. 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 on top of the significant increases already provided in the FY 2018 omnibus, and may not be possible in one year due to the smaller overall increase in non-defense discretionary funding available in FY2019. We ask that you consider the importance of restoring full funding for these programs and work towards that as you finalize FY 2019 appropriations.

In FY 2019, we believe the Federal TRIO programs should be increased to \$1.07 billion. This funding amount would restore services for the more than 30,000 students who have lost access to the TRIO programs over the last decade. TRIO serves students from middle school through college, including military veterans and students with disabilities, helping them get into college and complete their programs. Additionally, GEAR UP should be funded at \$375 million in FY 2019. This increase would bring approximately 70,000 new students into the program and increase the overall number of students served to 770,000. GEAR UP has a proven track record of success in preparing students to enter and succeed in college.

We believe Graduate Assistance in Areas of National Need (GAANN) should be funded at \$48 million, the pre-sequester high-water mark for funding graduate education in the humanities, adjusted for inflation. GAANN grants offer support to top students studying in fields directly related to American competitiveness.

The Leveraging Educational Assistance Partnership (LEAP) grants should be funded at \$65 million. While LEAP 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 requests and allowing us to submit testimony to the subcommittee. 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.