FEDERAL STUDENT AID MUST REMAIN A NATIONAL PRIORITY

AAU supports the broad array of student aid programs in the Department of Education, as most students rely on a combination of financial aid programs to fund their college education. Past investments in student aid have made it possible for generations of Americans to obtain a college education regardless of income. Colleges and universities also play an important role in making education affordable; they provided $26.6 billion in undergraduate student aid and $7.6 billion in graduate student aid from their own resources in 2009-2010.

THE PELL GRANT WORKS IN TANDEM WITH OTHER CRITICAL AID

AAU urges Congress to provide sufficient funding to support the scheduled increase in the maximum Pell Grant to $5,635 in FY13. We support using the expected Pell Grant surplus in FY13 to address projected shortfalls in the program beginning in FY14. We remain committed to addressing the growing costs of the Pell Grant program in order to place the program on a more sustainable funding path, while still protecting access for low-income students.

AAU is concerned about erosion of the federal student loan programs, including loss of the in-school subsidy for graduate students and loss of the grace period subsidy for undergraduate students. These loan subsidies were used to offset funding for other student aid programs. Federal student loans are a vital form of student aid and recent changes in borrower benefits has made student loans more expensive. AAU urges Congress to avoid doubling the interest rate for subsidized Stafford loans from 3.4% to 6.8% after July 1, 2012.

AAU supports maintaining at least FY12 funding levels for supplemental federal student aid programs that provide grants and work-study to low- and middle-income students, as well as the programs that help at-risk students get into and stay in college. These include the Supplemental Educational Opportunity Grants, TRIO, and GEAR UP. AAU supports the Administration’s proposed increase for Federal Work-Study, and look forward to discussions about the proposed criteria for new funding. We also remain committed to on-going discussions with the Administration and Congress about the Perkins Loan program, an important program for undergraduate and graduate students. We believe the campus-based aid programs should be strengthened. They are often a critical deciding factor in whether or not many Americans can afford to attend college.

EDUCATION RESEARCH

AAU supports $621 million for the Institute of Education Sciences (IES), the same as the FY13 Administration’s request. IES supports rigorous educational research. Innovations in teaching and learning from this research offer tremendous returns for society by helping colleges and universities to develop, validate, and scale up improved strategies for increasing college access and completion.

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