STATEMENT FROM THE STUDENT AID ALLIANCE ON THE PRESIDENT’S FY2009 BUDGET REQUEST

President Bush submitted a budget to Congress today that would provide a modest $69 increase in the Pell Grant maximum award. The $69 increase does nothing more than return the program to its FY 2007 level. Unfortunately, the president offsets this increase by calling for the elimination of other critical student aid programs. As a result, under the president’s budget, more than 1.5 million low-income students will lose financial aid crucial to beginning or continuing their college educations.

Pell Grants are the foundation of a low-income student’s aid package. More than 5.3 million students with a median family income of less than $20,000 received Pell Grants in FY 2007. The $69 increase proposed by the president, combined with the mandatory funding increase provided in budget reconciliation last year, would raise the Pell Grant maximum award to $4800. This is significantly below the level in which the president campaigned. Congress should reject this minimal increase and provide the $5100 award the president promised in 2000.

In requesting the termination of the Supplemental Educational Opportunity Grant (SEOG) program, the low-interest Perkins Loan program, and the Leveraging Educational Assistance Program (LEAP), the president would severely limit the ability of millions of low-income students to attend college. Eliminating these programs has a multiplier effect that magnifies the number of students who would lose access to funding because funding for these programs is consistently overmatched by institutions and the states. This long-standing partnership for student aid and access substantially increases the value of federal student aid dollars.

America’s economy is increasingly dependent on a well-educated workforce. Over the last seven years, federal funding for LEAP, SEOG, Perkins Loans, and Federal Work Study has been cut by a cumulative $158 million. Across-the-board cuts in five of the last seven years and level funding patterns have significantly diminished opportunities for additional grant aid, low-interest loans and work study for low-income college students. Students have been forced to borrow more, or work more off-campus to make up for lost aid, putting their academic careers in jeopardy. This pattern can not continue if Congress wants our nation’s brightest students – regardless of their income – to succeed in today’s global economy.

The Student Aid Alliance, a broad coalition of associations representing all sectors of higher education, calls on the Congress to reject the damaging cuts the president has proposed and sustain the federal government’s investment in America’s students.