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DEPARTMENT OF EDUCATION: STUDENT AID

FEDERAL STUDENT AID SHOULD REMAIN A NATIONAL PRIORITY IN FY16

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. AAU universities have built on the foundation of federal investments in student aid by providing increasing amounts of institutional student aid from their own resources. They collectively provided \$1.35 billion to first-time, full-time freshmen in 2011-12.

THE PELL GRANT WORKS IN TANDEM WITH OTHER STUDENT AID

AAU urges Congress to maintain the discretionary base of \$4,860 for the Pell Grant to support the scheduled increase in the maximum award to \$5,915, which is comprised of both discretionary and mandatory funding. We encourage Congress to protect the future of Pell by ensuring that any Pell surplus remains in the program. Pell Grants currently help almost nine million students from low- and moderate-income backgrounds pursue higher education.

AAU supports maintaining pre-sequester funding levels for supplemental federal student aid programs, which provide grants and work-study opportunities to low- and middle-income students. In particular, we believe the Supplemental Educational Opportunity Grants (SEOG) and the Work-Study campus-based aid programs should be increased to \$757 million and at least \$990 million, respectively. The programs provide a large and valuable return on investment because the federal SEOG and work-study grants are matched on a 3 to 1 basis by colleges and universities. These campus-based programs allow institutions to target extra federal assistance to students with the greatest needs.

Federal student loans are also an essential form of student aid. We are concerned about the erosion of borrower benefits, particularly the loss of the in-school assistance for graduate and professional students. We are also concerned with the President's proposal to curtail Pay-As-You-Earn and Public Service Loan Forgiveness in a way that disproportionately targets graduate and professional student borrowers. Many of these borrowers are more than halfway toward completing their necessary payments and service requirements. Eliminating support for these students at such a critical juncture sets a dangerous precedent and creates uncertainty for future students at a time when the country cannot afford to lose the next generation of leaders.

We want to work with Congress and the Administration on a long-term strategy for the student loan programs that will help students make informed borrowing choices and minimize their student debt, while still providing affordable options to both graduate and undergraduate students.

AAU universities provide a strong return on investment for students, parents, and the federal government. The demonstrated success is evident in the numbers:

- **80%** - The average six-year graduation rate of full-time, first-time students seeking a bachelor's degree at an AAU institution in 2005.*
- **50%** - The number of graduates from AAU universities without any debt in 2012.
- **2.2%** - The three-year student loan default rate of AAU universities in 2009.

* 2005 is the most recent year data available

** Because they do not include transfer students, Department of Education graduation rates are artificially low.

GRADUATE STUDENT SUPPORT

AAU urges Congress to maintain at least the pre-sequester FY12 funding levels of \$31 million in FY16 for the Graduate Assistance in Areas of National Need (GAANN) program. Javits fellowships, which were dissolved into the GAANN program in 2012 and received funding through 2014, were the only competitively-awarded federal fellowship with funding available for students pursuing graduate degrees in the humanities, arts, and social sciences.

In the longer-term we want to work on building direct support for graduate students in the humanities. We can't afford to lose a generation of leaders who can compete in a global marketplace. These programs help ensure a strong pipeline of talented experts and educators who will help to meet the demands of our 21st century workforce.

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Boston University ★ Brandeis University ★ Brown University ★ California Institute of Technology ★ Carnegie Mellon University ★ Case Western Reserve University ★ Columbia University ★ Cornell University ★ Duke University ★ Emory University ★ Georgia Institute of Technology ★ Harvard University ★ Indiana University ★ Iowa State University ★ The Johns Hopkins University ★ Massachusetts Institute of Technology ★ McGill University ★ Michigan State University ★ New York University ★ Northwestern University ★ The Ohio State University ★ The Pennsylvania State University ★ Princeton University ★ Purdue University ★ Rice University ★ Rutgers, The State University of New Jersey ★ Stanford University ★ Stony Brook University – State University of New York ★ Texas A&M University ★ Tulane University ★ The University of Arizona ★ University at Buffalo, The State University of New York ★ University of California, Berkeley ★ University of California, Davis ★ University of California, Irvine ★ University of California, Los Angeles ★ University of California, San Diego ★ University of California, Santa Barbara ★ The University of Chicago ★ University of Colorado, Boulder ★ University of Florida ★ University of Illinois at Urbana-Champaign ★ The University of Iowa ★ The University of Kansas ★ University of Maryland, College Park ★ University of Michigan ★ University of Minnesota, Twin Cities ★ University of Missouri-Columbia ★ The University of North Carolina at Chapel Hill ★ University of Oregon ★ University of Pennsylvania ★ University of Pittsburgh ★ University of Rochester ★ University of Southern California ★ The University of Texas at Austin ★ University of Toronto ★ University of Virginia ★ University of Washington ★ The University of Wisconsin-Madison ★ Vanderbilt University ★ Washington University in St. Louis ★ Yale University