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COMMITTEE ON EDUCATION AND THE WORKFORCE

U.S. HOUSE OF REPRESENTATIVES 2176 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515–6100

June 2, 2016

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The Honorable Roy Blunt Chairman Subcommittee on the Departments of Labor, Health and Human Services, Education, and Related Agencies Committee on Appropriations U.S. Senate Washington, D.C. 20510

The Honorable Tom Cole Chairman Subcommittee on the Departments of Labor, Health and Human Services, Education, and Related Agencies Committee on Appropriations U.S. House of Representatives Washington, D.C 20515 The Honorable Patty Murray
Ranking Member
Subcommittee on the Departments of Labor,
Health and Human Services, Education, and
Related Agencies
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on the Departments of Labor,
Health and Human Services, Education, and
Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Blunt and Cole, and Ranking Members Murray and DeLauro:

For nearly a half-century, the Pell Grant program has been the foundation of federal financial aid for low-income students – opening doors to colleges and universities across the nation. As House and Senate Appropriations Committees continue to work on the Labor, Health and Human Services, and Education (LHHS) funding bills, we write to reinforce the importance of the Pell Grant program and urge against harmful cuts that will make college more expensive for students in future years.

As you are aware, the March update to CBO's Pell baseline expects the program to carry forward a temporary \$7.8 billion in surplus balances due to lower-than-expected program costs. While we are pleased the program is on strong fiscal footing in a tight budget climate, we are concerned there will be proposals to raid Pell to address other similarly important LHHS funding needs. These needs should be met through a strong LHHS allocation rather than on the backs of college students.

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To support Pell Grants, it is critical to preserve all available resources in the program. Rescission, cancellations, or funding level cuts will worsen the funding outlook for Pell Grants and make it harder to strengthen the program through reauthorization of the Higher Education Act. Any current surplus balance reflects Congress' intent to make college more affordable for millions of students. In fiscal year 2017, we urge you to keep these funds in the Pell Grant program.

In the 2009 Omnibus Appropriations Act, Congress and President Obama enacted a historic increase in the Pell Grant maximum award as millions of Americans went back to school to develop their skills. The Student Aid and Fiscal Responsibility Act (SAFRA) built on these gains by automatically increasing the maximum award with inflation through 2017. However, despite these efforts to improve affordability, the cost of attending college still continues to rise, and the Pell Grant simply isn't keeping pace.

This year, with the program financially strong, the House and Senate Appropriations Committees have an opportunity to give Pell Grant recipients their first significant raise since 2009 by increasing the maximum discretionary award set in appropriations from \$4,860 to \$5,000. This increase, when paired with the supplemental funding provided in statute, would raise the maximum Pell Grant to an estimated \$6,055 in the 2017-18 academic year—increasing the purchasing power of Pell to two-thirds of the average price of tuition and fees at an in-state four-year institution.

Starting in 2017, the final year of Pell inflationary increases, the SAFRA formula allows us to increase the discretionary award without requiring a large mandatory offset. This is because the mandatory add-on for 2017 and every subsequent year is calculated as a function of the discretionary award that was set in the 2016 appropriations bill. On top of this critical new investment for students, there should also be enough resources to restore year-round Pell eligibility while still leaving the program in solid financial standing for future years. In light of this positive funding outlook, we should take advantage of our opportunity in the 2017 LHHS bill to place critical new dollars in the pockets of hard working Pell Grant recipients.

Thank you for your attention to this matter. We look forward to your response.

Sincerely,

ROBERT C. "BOBBY" SCOTT

Ranking Member

RUBÉN HINOJOSA

Ranking Member

Subcommittee on Higher Education and

Workforce Training

cc:

Chairman Thad Cochran Ranking Member Barbara Mikulski Chairman Hal Rogers Ranking Member Nita Lowey