



★ FROM THE OFFICE OF THE PRESIDENT ★

April 13, 2011

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington D.C., 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington D.C., 20515

Dear Speaker Boehner and Minority Leader Pelosi:

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I write to express concern over the FY 2012 budget resolution that was released by the House Budget Committee last week. NASFAA represents more than 18,000 financial aid professionals who serve 16 million students each year at 2,800 colleges and universities throughout the country. The resolution would impose severe cuts to the Pell Grant program and would have a detrimental impact on the nation's low-income students.

The budget resolution calls for Pell funding to be reduced to pre-stimulus levels. While the resolution lacks details, we assume that this means returning Pell to FY 2008 levels, which could result in a maximum Pell Grant of only \$2,090 for the 2012-13 academic year. This would represent a devastating 62 percent cut from the 2011-12 maximum grant of \$5,550.

Additionally, it is troubling that the budget resolution calls for the repealing and defunding of the Healthcare and Education Reconciliation Act (HCERA), which encompasses mandatory funding for the Pell Grant program. Should HCERA be repealed, this would further lower the maximum grant by \$690.

In 2010 inflation-adjusted dollars, the maximum Pell grant reached its highest value of \$5,673 in 1975-76. It dropped as low as \$3,348 in the mid-1990's, but rebounded again to \$4,849 in 2002-03. With Pell at \$5,500 in 2010 and with hopes that Pell can continue to outpace inflation, which is currently 2.1%, we support all efforts of increasing the value of Pell for our students.

The Pell Grant program is the cornerstone of the federal student aid programs and millions of the most financially disadvantaged students rely on these funds to prepare themselves for the 21st century jobs that will fuel the future U.S. economy. We urge you to vote against this resolution because it would threaten the nation's ability to compete in the future economy by impeding, or denying altogether, the aspirations of low-income students to higher education.

Thank you for all that you do for the postsecondary students of this country.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Draeger". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Justin Draeger
President and CEO