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## **Congress Extends Key College Tax Credit, but Action Still Needed to Prevent Pell Grant Cuts**

“We applaud today’s extension of the American Opportunity Tax Credit (AOTC) so it continues to help millions of students and families cover key college costs. The AOTC is a partially refundable credit worth up to \$2,500 towards tuition, books and supplies, and the tax package being sent to the President today extends it through 2012. More than eight million families benefited from the AOTC last year, with an average credit of more than \$1,700.

“Extending the AOTC is an important step forward for families struggling to pay for college in these tough times. But the AOTC alone will not keep college within reach for most low- and moderate-income students. We urge lawmakers to take the crucial next step and fully fund the federal Pell Grant program.

“Pell Grants help nearly nine million students and families afford post-secondary education and training, but the current \$5.7 billion shortfall would leave hundreds of thousands of students without a grant and millions facing cuts of up to \$845 next year, forcing many to drop out or borrow more to stay enrolled.

“Last week, the House passed legislation that would prevent millions of students’ Pell Grants from being reduced or eliminated next year. Prompt Senate action to fully fund Pell Grants is needed to keep students in school and our economy on the road to recovery.”

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*An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. For more about our programs and initiatives, including the Project on Student Debt, see <http://ticas.org>. Follow us on Twitter: [http://twitter.com/TICAS\\_org](http://twitter.com/TICAS_org)*