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## Higher Education Groups Urge Investment in College Affordability as Part of Stimulus Bill

On Wednesday, 13 national organizations representing students, colleges, consumers, college administrators, and others sent a [letter](#) to Congressional leaders calling for a major investment in college affordability. The groups put forward specific proposals for short-term, targeted assistance to students and parents to boost college access, create jobs, reduce student borrowing, and strengthen the American workforce and economy.

The letter says, in part:

*Post-secondary education and training have never been so critical to the future of America's families, economy, and society. Yet rising unemployment, collapsing home values, and a plummeting stock market have made it harder than ever for working families to cover college costs.*

The letter is signed by the American Association of Collegiate Registrars and Admissions Officers, the American Association of State Colleges and Universities, Campus Progress, Dēmos, the Institute for Higher Education Policy, the National Association of Student Financial Aid Administrators, the National Center for Public Policy and Higher Education, the National Consumer Law Center, the National Consumers League, State Higher Education Executive Officers, the Project on Student Debt, the U.S. Public Interest Research Group, and the United States Students Association.

The groups propose a two-year student aid stimulus package with four main components, all of which could be accomplished within existing administrative structures so that funds can reach their intended beneficiaries quickly.

- **Raise the maximum Pell Grant to \$7,000** for the lowest income students. The current maximum Pell Grant is \$4,731, which covers just 26 percent of the average in-state cost of attending a public four-year college. An increase will reduce the need to borrow and encourage enrollment and completion for the neediest students.
- **Increase funding for the Federal Work-Study Program by 25 percent.** Work-study funds help low- and moderate-income students gain valuable job experience while working to help pay for college. In addition to subsidizing on-campus jobs, work-study funds can also support students in public service jobs, expanding both employment and available services in their communities.

- **Improve access to Parent PLUS loans.** Parents who planned on using home equity or savings to contribute to their children's education are facing huge losses with few alternative sources of funding. Parent PLUS loans are available up to the full cost of attendance, and have fixed interest rates around eight percent. Application for Parent PLUS loans should be simplified, the loans should be more affordable, and students whose parents do not qualify for PLUS need to know that they are eligible for additional federal student loans.
- **Provide a limited "emergency access" student loan pool for colleges that commit to providing adequate need-based aid.** In this economic climate, students who have exhausted all available aid may be forced to turn to risky private loans or leave school because of lack of funds. These students should have limited access to additional, affordable federal loans. To ensure the responsible use of such loans, colleges would have to meet certain criteria and bear at least part of the risk.

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Read the letter: [http://projectonstudentdebt.org/files/pub/stimulus\\_ltr\\_12-11-08.pdf](http://projectonstudentdebt.org/files/pub/stimulus_ltr_12-11-08.pdf)

The Project on Student Debt is supported by The Pew Charitable Trusts, the William and Flora Hewlett Foundation, the Ford Foundation, the BayTree Fund, and individual donors. The Project on Student Debt is an initiative of the Institute for College Access & Success, an independent, nonprofit organization working to make higher education more available and affordable for people of all backgrounds. For more information see <http://www.projectonstudentdebt.org> and [www.ticas.org](http://www.ticas.org).