



STATEMENT OF PAULINE ABERNATHY
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House FY17 Budget Plan Cuts Pell Grants *Eliminates Scheduled \$120 Increase in 2017; Freezes Maximum Grant for 10 Years*

“Despite acknowledging that ‘millions of Americans are graduating with too much student loan debt,’ the House Budget Committee’s [fiscal year 2017 budget](#) released today would make college less affordable, forcing millions of low- and moderate-income students to borrow more, drop out, or forgo college altogether.

“The House Budget Committee’s plan eliminates the scheduled \$120 increase in the maximum [Pell Grant](#), holding the maximum award level at \$5,815 instead of keeping pace with inflation to rise to \$5,935 in the 2017-18 school year, as current law provides. It then freezes the maximum grant for 10 years. This freeze reduces the share of public four-year college costs covered by the maximum grant from an already record low of 29 percent to 21 percent by 2026.

“By contrast, the President’s [proposed budget](#) fully funds the scheduled increase in the maximum Pell Grant and permanently ties it to inflation after 2017, which is projected to increase the maximum grant by \$1,300 over the next 10 years. Also in contrast to the House Budget Committee proposal, today 28 senators introduced [legislation](#) to ensure the maximum Pell Grant permanently keeps pace with inflation.

“Already, *nearly nine out of 10* Pell Grant recipients who graduate from four-year colleges have student loans, and they owe on average *\$4,750 more* than their higher income peers. Three-quarters (72%) of the roughly eight million Pell Grant recipients have a total family income of \$30,000 or less.

“Despite the House Budget Committee’s claim that Pell Grants are on an unsustainable path, Pell Grant costs have actually declined 28 percent since 2010 and are projected to [remain level](#) over the next 10 years after adjusting for inflation.

“With higher education more important and harder to afford than ever, we need to strengthen and improve Pell Grants, not cut them, to help more Americans complete college without burdensome debt.”

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on Twitter at www.twitter.com/TICAS_org.