Can Students Count on Pell Grants to Help Pay for College?
President’s FY12 Budget Says “Yes” while House FY11 Cuts Say “No”

“President Obama’s fiscal year 2012 budget issued today makes college affordability a high priority. Most importantly, while making many deep and painful budget cuts, it preserves funding for the federal Pell Grant program, which helps nearly nine million Americans get the education and training that our workforce needs to succeed. We applaud the President’s commitment to maintaining this crucial investment in our nation’s economic recovery and keeping the maximum Pell grant at the current level of $5,550.

“Other important college affordability provisions include making the American Opportunity Tax Credit permanent and preventing the taxation of student loan debt forgiven through Income-Based Repayment. The President’s budget also supports efforts to improve college completion, and it simplifies the financial aid application process with better use of IRS data, improving access to needed aid while verifying eligibility and reducing waste.

“In stark contrast with the President’s proposed budget, the U.S. House of Representatives is debating drastic cuts to the Pell Grant program. The House majority’s proposed budget for fiscal year 2011 -- unveiled late Friday as H.R. 1 -- would slash the maximum Pell Grant for students this fall by at least $845 and cut an additional $56 billion in mandatory funding for the program over the next 10 years. These cuts would reduce or eliminate Pell grants for more than eight million students, making it impossible for many to start or stay in school. The bill also cuts funding for other important programs that help first-generation, low-income and minority students get to and through college.

“With millions of Americans struggling to make ends meet, cutting Pell Grants would pull the rug right out from under students and families who are counting on these crucial grants to help pay for college this fall. Most Pell Grant recipients have family incomes under $50,000 and already have to borrow more than other students to complete college. We urge Congress in the strongest possible terms not to cut the maximum Pell Grant, and to preserve this lifeline to opportunity and economic prosperity.”

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