

Congressional *Factsheet*



United States Student Association 2008

Higher Education Act (HEA) Reauthorization

The HEA was originally introduced in 1965 and is the single most important piece of legislation pertaining to higher education. It was intended to strengthen the educational resources of colleges and universities and to provide financial assistance for students in postsecondary and higher education. It increased federal funding given to colleges and universities, created vital grant aid programs and low-interest student loans. The HEA is renewed or reauthorized every 5-7 years, but the last renewal took place in 1998, nearly 10 years ago! It is critical to reauthorize the HEA now with provisions that increase college access and affordability for millions of students and families across the country.

Simplify the FAFSA

The Free Application for Federal Student Aid (FAFSA) is the gateway to higher education for millions of low to moderate income families. The current application is complicated, intimidating and a barrier to college access. An estimated 1.5 million students did not apply for financial aid in 2004, even though they qualified. A simpler FAFSA would enable more students to enroll in college, attend full time, work limited hours so they could study more, and finish their degrees. The Department of Education should collect income information directly from the IRS, which would improve the financial aid process. About 2/3 of the income related questions on the FAFSA could be eliminated by using a families tax forms. Eliminating the drug related question on the FAFSA would create additional access to higher education for students who need it most. Federal law states that federal financial aid is to be denied to students who have been convicted of drug related crimes while receiving financial aid. This policy tries people twice who have already paid their debt to society. Since its enactment in 2000, over 200,000 students have been denied financial aid. Allowing these students to access higher education would allow them to receive higher paying jobs, pay taxes, and contribute to society and their communities. The drug question disproportionately affects low income students who cannot access college without financial aid. **USSA demands full repeal of this provision in the reauthorization of the HEA.**

Preserve Good Programs

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) and TRIO are vital programs that improve the lives of many low-income students. TRIO provides students with access to mentorship and other support services that are critical to ensure college attendance. These programs include Upward Bound, Student Support Services, Talent Search, Educational Opportunity Centers, and Ronald E. McNair Post-Baccalaureate Achievement. GEAR UP provides grants to states and to partnerships of low-income middle/high schools, colleges, and universities and community organizations.

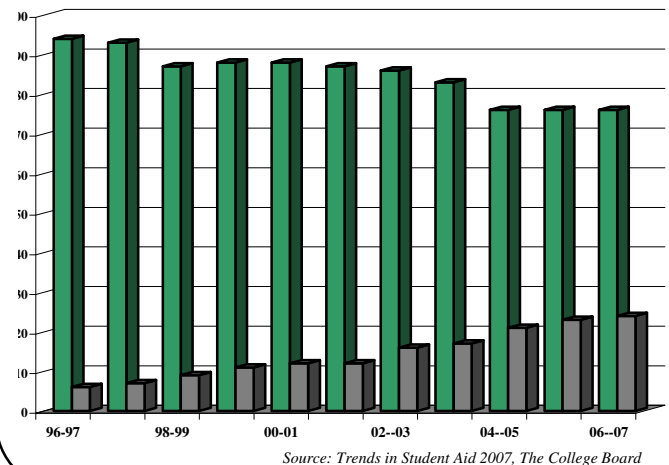
The Facts

- 39% of students graduate with unmanageable debt (more than 8% of their monthly income).
- During the 2006-07 school year, average tuition, fees, and room & board charges for in-state students at public institutions was \$12,796. In 1987 those same costs were just \$7,528.
- The maximum Pell Grant now covers 33% of tuition, fees, and room & board at an average four-year college or university. Twenty years ago it covered 66% of these costs.
- In 2005-06, students received a total of \$134.8 billion in student aid. About 44% of this aid was from grants and 51% from loans. Just 15 years ago, those figures were reversed.

The College Board & various sources, 2008

Federal vs. Non-Federal Student Loans (1996-2006)

■ Federal Student Loans
■ Non-Federal Student Loans



Source: Trends in Student Aid 2007, The College Board

Child Care Access Means Parents in School (CCAMPIS)

CCAMPIS provides grants to schools to start or expand childcare facilities on campus. The program encourages schools to leverage local or institutional aid and to provide a sliding fee scale for students who use the childcare center. **USSA urges Congress to increase support for CCAMPIS.**

Improve Collection of Hate Crime Data

Institutions are required to collect statistics on crimes that involve victims targeted because of their race, gender, religion, sexual orientation, ethnicity, or disability and to submit the information to the Department of Education. Yet the data reported often conflicts with hate crime data provided by the FBI. **USSA urges Congress to address the discrepancies between hate crime reporting to the FBI and the Department of Education.**

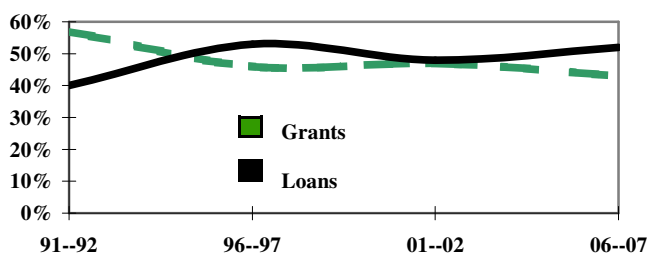
Increase Federal Grant Aid

Leveraging Educational Assistance Partnerships (LEAP) and the Supplemental Educational Opportunity Grant (SEOG) are grant programs target low-income students. LEAP provides a federal match to encourage states to retain and expand their need-based student aid programs. SEOG is a matching program where institutions match 25% of federal dollars. At a \$1 billion federal investment, over 1.3 million students would receive at least \$1.3 billion in additional grant aid.

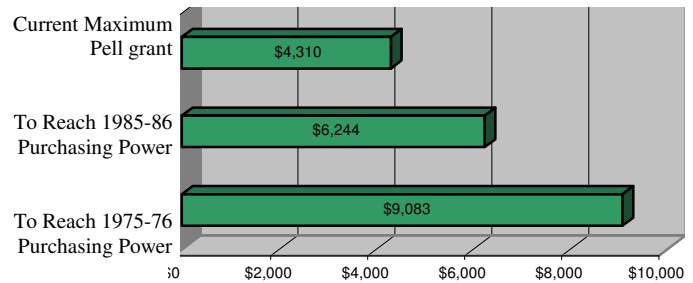
Graduate Assistance in Areas of National Need (GAANN) awards fellowships through grants to colleges and universities for graduate students studying in areas of national need, mostly science and technical fields, who show high ability and need. Our nation needs highly skilled professionals to ensure our economic competitiveness and national security.

Javits fellowships provide aid for up to 4 years for students in the arts, humanities, and social sciences pursuing a doctoral or terminal degree. The Thurgood Marshall program was designed to assist talented, economically disadvantaged students pursuing a career in law.

Grants vs. Loans (1991-2006)



Returning Purchasing Power to Pell Grant



Increase Support for the Pell Grant

Pell Grants are the cornerstone of a low or moderate-income student's financial aid package and often determines their ability to attend college. It is a "quasi-entitlement" program meaning that although it is part of appropriations every year, anyone who qualifies gets a grant. The maximum grant for fiscal year 2008 (the '07-08' school year) is \$4,310. Students from the poorest families receive the maximum Pell grant. The minimum grant is \$400. More than 5.3 million students with a median family income of less than \$20,000 received Pell Grants last year. Inadequate funding levels have decreased the purchasing power of the Pell Grant significantly. To reach the purchasing power it had in 1985, the maximum award would need to be \$6,244 and to reach the purchasing power of 1975, the maximum award would need to be nearly \$10,000! Increasing the maximum authorized level of the Pell Grant would send a clear signal that Congress is making college affordability a priority. **The federal government must play a large role in ensuring the ability of our nation's brightest students to complete college regardless of income.**

Make Student Loans Manageable

Students are taking out more loans than ever, leading to unmanageable amounts of debt upon graduation. Students are graduating with debt burdens averaging nearly \$20,000! With increased divestment from states and the federal government, private student loan borrowing is filling in the gaps. Private loans can have interest rates as high as 20% and have fewer borrower protections that federal student loans. With the current state of the economy, it is more important than ever to protect borrowers as they encounter financial hardships. Allowing private student loans to be discharged in bankruptcy would allow spare borrowers from taking student loan debt to the grave. Bankruptcy protection is especially helpful for borrowers who fall prey to diploma mill institutions that leave them with worthless degrees. We urge Congress to include provisions in the HEA reauthorization bill that will protect all student borrowers and make student loans more manageable.