

April 5, 2011

Dear Member of Congress:

With national unemployment at 8.8 percent and the country's economic competitiveness at stake, we cannot afford to neglect the foundation of workforce development. Investment in higher education will lead to a stronger and more dynamic workforce and, in turn, a stronger and more dynamic economy.

New England is home to a robust and vital higher education system. The 236 higher education institutions certified by the New England Association of Schools & Colleges – representing more than 844,000 students across the region's six states – generated an economic impact of almost \$119 billion for the region during the 2006-7 academic year. In addition to direct economic contributions, the region's colleges and universities provide long-term benefits which arise from an educated workforce, including higher earning potential for graduates and lower incarceration costs. As both a key industry in its own right and as the pathway to a highly-skilled and innovative workforce across many industries, higher education is a driver of economic prosperity.

On top of the impact on students, recent budget uncertainty has compromised the financial health of many of our colleges and universities. Any funding adjustment will have a direct impact on employment, as institutions of higher education provide over 200,000 jobs across the New England region. With state budgets already suffering drastic cuts to make ends meet, this is no time for the federal government to abandon the students and education workers supported by the Pell Grant program.

The Pell Grant was originally intended to cover 75% of the cost of going to college for low- and moderate-income students. Today, the maximum award level covers about one-third of the cost of a four-year college, but only 22% of Pell recipients receive the maximum amount. The average award in the 2009-2010 academic year was \$3,646, which covers less than one quarter of the average tuition and fees at public universities. An accumulated funding shortfall stemming from the economic recession will not only kill a planned increase but result in cuts to Pell Grant awards if swift action is not taken. House Budget Committee Chairman Paul Ryan has proposed returning all non-security spending to 2008 levels in his Fiscal Year 2012 budget plan, which if enacted would mean more than \$5.5 billion cut from the Pell Grant program.

Even if current funding levels continue, almost 9 million students stand to lose over 15 percent of their expected awards for the 2011/2012 school year. More workers are turning to higher education to improve their chances of securing work in a strained labor market, as evidenced by the increase in the number of Pell Grants awarded from about 7.7 million in 2009 to about 8.7 million in

2010. We must support our workers and students as they acquire the skills they need to bolster the country's economic competitiveness.

As we work toward a healthier bottom line for the federal budget, we must ensure that programs critical to our country's economic vitality are not harmed. The members of The New England Council urge you to give the Pell Grant program the support that it needs to continue to strengthen today's education sector and tomorrow's workforce. Please don't hesitate to contact our offices at 202-547-0048 with any questions or for further information. Thank you for your continuing work on behalf of students and the higher education community during this economically difficult time. We look forward to working with you on this issue.

Sincerely,



Michele M. Jalbert
Executive Director – Policy & Strategy