



September 30, 2021

The Honorable Patty Murray
Chair
Committee on Health, Education, Labor, and
Pensions
United States Senate
Washington, DC 20510

The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor, and
Pensions
United States Senate
Washington, DC 20510

The Honorable Bobby Scott
Chairman
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Murray, Ranking Member Burr, Chairman Scott, and Ranking Member Foxx,

As Congress moves forward with legislation pursuant to budget reconciliation instructions, I write to express appreciation for investments in higher education that would support students and advance the ability of public universities to impact society through their education, research, and engagement missions. With this letter, I focus on three main areas of the bill in which APLU urges improvements, specifically investment in Pell Grants, expanding the reach of the College Completion Fund, and strengthening the Maintenance of Effort provisions in the federal-state partnership to protect and advance state funding of public higher education.

Invest More in Pell as Part of Plan to #DoublePell

With the Build Back Better Act, Congress has a unique opportunity to invest in the Pell Grant program to further President Biden's commitment to double the maximum grant and consistent with the priorities represented in the Pell

Grant Preservation and Expansion Act. Over seven million students, or about 40 percent of undergraduates, receive a Pell Grant each year, including more than 2.5 million students at public four-year institutions. Pell Grants are well-targeted to students with clear financial need: Approximately three-fourths of all Pell Grant dollars are awarded to students with a family income below \$30,000.

While APLU appreciates the \$500 increase to the maximum grant provided in the reconciliation legislation, it is simply not enough given the tremendous need that exists among Pell recipients, the unique impact and reach of the program, and the potentially generational opportunity represented by the legislation. While we understand Double Pell is not achievable through this one bill, the increase provided in the legislation falls far short of making the transformative impact we believe should be the goal within the bill relative to Pell. APLU urges Congress to at a minimum adopt President Biden's proposal of a \$1,475 increase as part of a broader plan to achieve Double Pell. A \$500 increase, while very helpful, would be a significant missed opportunity given the scope of the legislation and need that exists among low-income students at all public colleges and universities.



Broaden the College Completion Fund to Support all Students

As APLU conveyed in our recent correspondence joined by the American Association of State Colleges and Universities (AASCU) and the State Higher Education Executive Officers (SHEEO) Association, we are strongly supportive of a College Completion Fund. This first-of-its-kind federal investment would complement existing higher education programs focused on access and affordability, and boost the likelihood of students completing their degree program and successfully transitioning into the workforce. The Fund represents a significant investment in student success, providing access to supports such as academic transition and support services, emergency financial aid, and other key assistance. APLU believes the program could help scale many of the evidence-based and innovative new student success practices our member institutions are implementing on campuses across the country.

However, we are concerned by one aspect of the program design. As currently written, only states that choose to participate in the free community college program would be eligible to participate in the Retention and Completion Grant program. We strongly believe students who live in states that choose not to participate in the free community college program should not be left out. The requirement could result in millions of America's college students—including low-income students and students of color—being denied key support services to help them complete college in a timely manner and hinder efforts to graduate more college students, close equity gaps, and meet the workforce demands of the 21st century economy. We request Congress decouple the Completion Fund and the free community college plan relative to state eligibility.

Strengthen Maintenance of Effort Requirements to Protect and Advance Public Higher Education

APLU has expressed our strong concerns with federal-state partnership proposals that are not inclusive of the entire public sector. Among other reasons, we remain alarmed that such proposals may prove to merely shift rather than grow state investment in public higher education. Additionally, such proposals fail to appropriately recognize that in many cases the optimal choice for students, particularly those that aspire to earn a baccalaureate degree, is to begin at a four-year institution. We strongly believe that Congress should seek to lift the entire public sector and those we serve in a federal-state partnership.

While Congress may advance a proposal of strong concern to APLU, we appreciate consideration of ways to ameliorate possible detrimental impacts to public four-year universities. Strong maintenance of effort (MOE) provisions are essential to guard against displacement of funding of public four-year institutions as the federal government encourages states to invest more in two-year institutions. Nationally, funding of public higher education has yet to catch up from the cuts of the 2008 recession, demonstrating the funding challenges of the entire public sector. The Build Back Better Act includes MOE provisions, but they should be strengthened.

APLU requests an annual inflation adjustment to MOE baselines so flat funding of public four-year institutions is not the outcome of incentives for states to invest more in community colleges.

The MOE provisions in Build Back Better require states to maintain funding of three categories of investments in higher education based on average levels of the three prior fiscal years. As the federal government would provide a generous infusion of federal funds conditioned on state investment to achieve free community college, it is reasonable to expect many states to adjust investment to take advantage of a match. The easiest way for states to take advantage of a match is



to shift funds from areas of higher education that do not bring states matching dollars from the federal government. The MOE provisions are intended to guard against this, however, states could be in compliance with the requirements simply by not cutting public four-year institutions. Under such a scenario, states would continue present levels of often inadequate funding, which for many states has still not recovered from historic cuts from the last recession. With inflation and mounting expenses of public universities to deliver on their critical mission, flat funding essentially works as a cut. The unintended consequences of the policy in just holding states accountable for flat funding could be very harmful. APLU urges Congress to enact an MOE that annually adjusts for inflation, so states are at a minimum held responsible for inflationary increases while the federal government is providing substantial new investment to states to support higher education.

Thank you for your consideration of APLU's recommendations. Please do not hesitate to let me know how we can be a resource as the legislative process moves forward.

Sincerely,

Peter McPherson
President
Association of Public and Land-grant Universities