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UNCF APPLAUDS SENATE COMMITTEE PANEL'S RESTORATION OF SUMMER PELL GRANTS, URGES ADDITIONAL INVESTMENTS IN PELL ASSISTANCE

WASHINGTON, June 10, 2016—UNCF today applauded action by the Senate Appropriations Committee to provide federal funds so that students can receive Pell Grants to take college courses during the summer. Summer Pell Grants had been stripped away in a 2011 budget-cutting move. The Appropriation Committee's step toward their restoration means that approximately one million low-income students could receive additional financial assistance averaging \$1,650 for summer study, on top of a maximum Pell Grant of \$5,935 for the 2017-2018 school year. The welcome restoration of summer Pell Grants would help more needy students graduate from college faster and with fewer loans.

UNCF's president and CEO, Dr. Michael L. Lomax, stated, "Over 4 million African American students depend on Pell Grants to get to and through college, often incurring substantial student loan debt. Restoration of Pell assistance for summer study is a needed first step. However, additional investments must be made to relieve college students from shouldering the heavy load of loan debt and to boost college access and completion. This isn't a leap of faith. Investments in Pell Grants are 'paid forward' with more productive, healthy and engaged citizens."

As the bill now moves to the full Senate, UNCF urges additional action to shore up the Pell Grant program for struggling students, including restoring \$1.2 billion in Pell Grant program funds inappropriately diverted to other programs. Improvements to the Pell Grant program that <u>UNCF recommends Congress consider</u> to lower student debt and increase higher educational opportunity include:

Increase the Pell Grant

Put the maximum Pell Grant on a path to double over time to approximately \$12,000 to support 60 percent of the cost of attendance at a four-year public university, as well as index the award to inflation thereafter to enhance its purchasing power for low-income students.

Provide a Pell Grant Bonus

Provide a \$300 Pell Grant bonus for low-income students who earn 15 credits per semester to facilitate college completion in four years.

Lift the Lifetime Restriction on Pell Grant Eligibility

Lift the arbitrary six-year limit on the amount of time students may receive a Pell Grant, which does not recognize that at-risk and nontraditional students often need a longer period of time to complete their degrees.

• Raise the Family Income Level for an Automatic Maximum Pell Award Raise the income level, from \$23,000 to \$32,000, at which students can automatically qualify for the maximum Pell Grant so that more low-income students can get the support they need.

Early Pell Grant Commitment

Make an early Pell commitment to low-income high school students to increase college-going rates.

Support a "Second Chance" Pell Grant

Remove the restriction on Pell Grants to individuals who are incarcerated in federal or state penal institutions to give them a "second chance" to learn the skills needed to be productive citizens.

Pell Grants once financed nearly three-quarters of the cost of a four-year public college education. In the 2015-2016 school year, the maximum Pell award of \$5,775 paid, on average, for only 30 percent of the cost of attending a four-year public college and only 14 percent of the cost of attending a four-year private college. This represents *the lowest share in the history of the program*. As a result, low-income students are twice as likely as other students to have student loans (61 percent vs. 29 percent), and the size of their debt is larger as well.

Scholarship support, such as Pell Grants, increases college persistence and completion. <u>UNCF's Frederick D.</u> <u>Patterson Research Institute examined the effectiveness of UNCF scholarships</u> and found that such a scholarship averaging \$5,000 increases the likelihood of a student graduating by nearly eight percentage points.

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About UNCF

UNCF (United Negro College Fund) is the nation's largest and most effective minority education organization. To serve youth, the community, and the nation, UNCF supports students' education and development through scholarships and other programs, strengthens its 37 member colleges and universities, and advocates for the importance of minority education and college readiness. UNCF institutions and other historically black colleges and universities are highly effective, awarding 20 percent of African American baccalaureate degrees. UNCF annually awards \$100 million in scholarships and administers more than 400 programs, including scholarship, internship and fellowship, mentoring, summer enrichment, and curriculum and faculty development programs. Today, UNCF supports more than 60,000 students at more 1,100 colleges and universities across the country. Its logo features the UNCF torch of leadership in education and its widely recognized trademark, "A mind is a terrible thing to waste.[®]" Learn more at UNCF.org, or for continuous news and updates, follow UNCF on Twitter, <u>@UNCF</u>.