

July 20, 2009

Honorable George Miller
Chairman
Education and Labor Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Miller,

On behalf of the Association of Jesuit Colleges and Universities (AJCU), and the twenty-eight institutions that we represent, we write to express support for the Student Aid and Fiscal Responsibility Act. This bill presents a great opportunity to assure and address more access for students over the next ten years.

While the vast majority of our institutions would have preferred staying in the Federal Family Educational Loan Program (FFELP), we do understand that the \$87 billion savings realized from transitioning from FFELP to the Direct Loan program will deliver expansion of other federal student aid programs. These dollars are appreciated, particularly during this deep recession that impacts students, their families, and our Jesuit institutions.

We know that the transition for some institutions from FFELP to Direct Loan will be challenging because of insufficient funds for technology requirements or incompatible technologies. Assistance for these institutions, with their "home grown systems", should be addressed as we move forward.

We appreciate the addition of \$40 billion for the Pell Grant program, spread out over ten years. We still hope for a higher Pell grant amount from the FFELP savings, and would like to work with you and your staff to realize a higher amount for the Pell grant program.

This is a monumental bill altering federal student aid, and we believe that Pell Grants should not only meet the administration's request of CPI plus 1%, as a guaranteed mandatory increase each year, but should go beyond. This is probably the last opportunity for Pell grant increases because of the recession and tight federal budgets, despite the fact that the population of Pell grant students will continue to grow.

AJCU and the Perkins loan working group, representing 1,800 higher education institutions currently participating in Perkins Loans, have worked extensively with your staff and greatly appreciate a number of provisions resulting from this collaboration. This bill preserves Perkins loans as a 5% interest need-based loan. Institutions currently participating in Perkins Loans will receive the average of the last five years of federal Perkins Loan funds to the institution as a guaranteed amount. In addition, matching grants made by current participating institutions, over past decades, will also be repaid to the institutions. Institutional loans made to the Perkins loan program will also be repaid. We do need to resolve, however, the issue of Perkins Loan in-school interest rate subsidies, and we look forward to continuing to work with you and your staff to achieve a fair solution for students and institutions.

We are also thankful that the graduate and professional students in school subsidy rate will not be eliminated. As you know, there are few benefits for graduate and professional students. We know that the 78,712 Jesuit graduate and professional students will be greatly relieved to know that their in-school subsidy is preserved.

We do recognize and are aware of the many needs of the community colleges and of elementary and secondary education, we trust that the needs of four-year colleges and universities will not be forgotten.

Please know that AJCU is very grateful for the efforts exerted by your staff, particularly Julie Radocchia and Jeff Appel on Perkins loan changes. We look forward to continuing to work with you in the days and months ahead to develop this historic student aid legislation.

Please feel free to call me or Cyndy Littlefield, Director of Federal Relations (202) 862-9893 to continue to work together on this extremely important legislation for our nation's students and institutions of higher education.

Sincerely,

Charles L. Currie, SJ
President