

ACE on the Hill 2025: Key Talking Points

Introduction to ACE on the Hill

- Introduce yourself and your institution.
- I am participating in the inaugural American Council on Education (ACE) on the Hill day and taking part in meetings with my delegation, along with over 50 other higher education leaders.
- American higher education is a vital national asset. From community colleges and public regionals to major research institutions and liberal arts colleges to faith-based institutions and minority-serving institutions, institutions of higher education, in partnership with the federal government and the states, contribute to the most powerful system for learning, training, research, and innovation in the world. In short, higher education builds America.
- Supporting higher education is essential in developing a skilled workforce necessary for our country's long-term economic growth and national security.

Support for Access, Completion, and Success for All Students

As Congress moves forward with funding for fiscal years 2025 and 2026, support for students and strengthening institutions is our central priority.

We want to work with Congress to increase the maximum Pell Grant award to support students from low-income households.

- Pell grants are the largest student aid program, the foundation of federal student aid, and focused on students from low-income households who need financial aid the most. Unlike student loans, they do not have to be repaid. Pell Grants are awarded from the federal government to low-income students for undergraduate students at all colleges and universities.
- Currently the maximum Pell is funded at \$7,395 for 2023-2024 academic year.
- Nationwide, 34% of undergraduate students receive a Pell Grant. The average Pell Grant award is \$4,491, because the award amount is based on Expected Family Contribution determined by the FAFSA application.
- 51% of Pell Grant funds go to students whose families earn less than \$20,000 annually – the largest majority. 39% of Pell Grant recipients came from families whose annual income falls between \$20,001 and \$50,000. Only 6% of Pell Grant recipients come from families that earn over \$60,000 or more annually.¹
- Make sure to share information about how students use the Pell Grant to access education at your institution.

College students face alarming mental health challenges, with 64% of students considering leaving college due to emotional stress and mental health concerns.² Over 47% of students experienced clinically significant anxiety and

¹ Information from the Education Data Initiative: <https://educationdata.org/pell-grant-statistics>

² <https://www.gallup.com/analytics/468986/state-of-higher-education.aspx>

depression, yet less than half received counseling or therapy in the past few years.³ We urge Congress to provide additional support and broaden the utilization of the Garrett Lee Smith (GLS) Campus Suicide Prevention Grant Program and continue to look for ways to expand telehealth options for students.

- Despite increased federal support for K-12 mental health, college students have not had the same support. The GLS Campus Suicide Prevention Grant is the only federal program that directly supports college students. In FY 2024, it provided just \$2.4 million and offered up to \$102,000 for just 23 institutions—far less than the scale of the support needed.⁴
- This program is funded under the Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA).
- The grants are provided to private and public institutions of higher education to support programs targeting campus suicide prevention by identifying students at risk, increasing help-seeking behaviors, providing substance use disorder and mental health services, and promoting social connectedness.⁵
- We ask that Congress provide additional funding for the GLS Campus Suicide Prevention in the FY25 and FY26 appropriations process and undertake efforts to expand telehealth options for students.

We request strong support for Title III and V programs within the Higher Education Act, which help Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), American Indian Tribally Controlled Colleges and Universities (TCCUs), and other Minority Serving Institutions (MSIs) offer key programs and student support.

- The Higher Education Act includes two titles, Titles III and V, that direct the U.S. Department of Education to provide federal funding for postsecondary institutions that apply and receive federal designation as minority-serving institutions (MSIs).
- Currently, 1 in 5 higher education institutions are designated as minority-serving institutions (MSIs). Collectively, these institutions enroll more than 25% of all undergraduate students in the entire country. Many of these students come from low-income backgrounds and are Pell Grant recipients, and nearly half of all MSI students are the first in their families to attend college.⁶
- If your institution is an MSI, you should talk about the importance of these funds to your institution, and how you use those grants at your institution.

Protecting and Strengthening Institutions

The tax code impacts nearly every facet of higher education. The code helps students and families save and pay for college and assists with the repayment of education loans. It is a critical mechanism to support the research endeavor and American competitiveness by offering a skills enhancement incentive to employees and support for graduate students. The code supports colleges and universities through charitable giving tax incentives and other mechanisms related to institutional financing.

Without action, many of the individual tax provisions included in the 2017 Tax Cuts and Jobs Act expire at the end of 2025. As a result, Congress is working on major tax legislation, which presents both opportunities and threats for institutions. As Congress seeks to extend those tax cuts, we ask that higher education priorities be considered during the upcoming debate.⁷ This includes:

³ https://healthymindsnetwork.org/wp-content/uploads/2024/09/HMS_national_report_090924.pdf

⁴ https://www.samhsa.gov/grants/grants-dashboard?1=by_nofu_number%3ASM-22-004&f%5B0%5D=by_award_fy%3A2024&f%5B1%5D=by_nofu_number%3ASM-22-004&grants_dashboard_search=&order=field_grant_awarded_year&sort=desc

⁵ <https://www.samhsa.gov/grants/grant-announcements/sm-24-004>

⁶ October 2024 Education Trust “Improving Titles III and IV of the Higher Education Act”: <https://edtrust.org/wp-content/uploads/2024/10/MSI-Report-Final.pdf>

⁷ For additional information on these priorities, see October 2024 comments to House Ways and Means regarding critical policy proposals impacting higher education: <https://www.acenet.edu/Documents/Letter-House-Ways-Means-2025-Tax-Reform-101524.pdf>

- We request that Congress repeal the taxability of the Pell Grant and fix the Pell-AOTC interaction issue to ensure students, primarily low-income students, can access critical education benefits.
- We also would like to see Congress reform and simplify higher education tax credits into a single credit, making it easier to use and maximizing its impact.
- We would like to work with Congress to modernize Sec. 127 employer provided education assistance by increasing the annual benefit amount, unchanged since 1986, and making the repayment of employee education loans expansion permanent.
- We welcome Congress's partnership to reinstate the universal charitable deduction, enhancing giving to support students and campus communities.
- We also ask that Congress restore advance refunding of tax-exempt bond financing, which can help institutions make other scarce resources available, support research infrastructure, and bolster our nation's innovation capacities; and
- Repeal or reform the "endowment" tax, an unprecedented tax that targets charitable resources and undermines the teaching and research missions of institutions without enhancing access or student support
 - While college and university endowments differ in size, structure, and organization, their broad purposes are uniform: to advance an institution's charitable mission to expand and enhance educational and research opportunities and programming that benefit the public good.
 - The endowment tax takes money directly away from student financial aid, teaching, research, and numerous other mission-focused activities. It also undermines institutional philanthropic efforts to further expand generous financial aid offerings for students and support excellence.
 - We strongly believe Congress should repeal this tax or reform it in ways proposed by then-Ways and Means Member Rep. Brendan Boyle (PA-02) in H.R. 5152, the Higher Education Endowment Tax Reform Act (117th Congress), which would mitigate the effect of the tax on covered institutions that choose to devote more resources to student financial aid.

Fostering Innovation

As the needs of today's workforce and economy change, higher education is at the forefront of fostering innovation and supporting growth. Our nation faces numerous challenges, such as growing economic and military competition abroad and a rapidly evolving economy that requires new ways of learning and working.

The key to unlocking America's potential lies in strengthening and utilizing our world-leading colleges and universities.

To accomplish this we would like to work with Congress to expand Pell grant access to students pursuing shorter-term programs focused on specific, in-demand skills, helping to ensure our workforce is future ready.

- The labor force is increasingly looking for employees with specific skills that can be obtained with some postsecondary education short of a degree, and it is important to ensure that students have the opportunity to pursue their individual educational goals.
- Low-income students who desire to receive a credential or enter into a shorter-term program should have the same access to the Pell Grant as any student in a degree program because their financial need does not change based on the program they pursue.
- Expanding Pell eligibility to short-term programs has long been a priority for ACE, but any legislation which would create such a pathway must also implement some reasonable safeguards to protect students and taxpayers.
- In the 118th Congress, Congress considered the Bipartisan Workforce Pell Act. While we supported the overall goal of this legislation, we expressed serious concerns about the offset included in the legislation, which would undermine the decades-long approach that has prioritized the ability of students to choose the institution that best fits them and tailoring federal aid based on an individual student's needs.

- We urge Congress to continue to work towards the goal of creating a short-term Pell program, which does not take funds from existing federal student aid programs, while also implementing important safeguards around the program.

We also urge Congress to consider ways to improve visa processes and pathways in any immigration legislation considered that would support international students, ensuring that America continues to lead the world as the destination of choice for higher education.

- Protecting our national and economic security while ensuring that the United States remains the destination of choice for the world's best and brightest students, faculty, and scholars are not mutually exclusive. We must remain a welcoming country to international students, scholars, scientists, and researchers who enrich our campuses and play an important role in performing research that creates new knowledge, supports U.S. economic growth and fuels American innovation.
- Our system of higher education has served our country extremely well. In many ways, it is the "gold standard" for graduate education in the world, attracting brilliant and talented students and scholars from across the globe, some who end up staying and working in the United States and make significant contributions to our economy and domestic job creation. And those that return home often serve as ambassadors for American values, democracy, and the free market.
- To address foreign talent recruitment efforts, we must respond with our own programs aimed at both cultivating our own domestic STEM and other needed talent as well as keeping U.S.-born and U.S.-educated scholars and scientists here after they complete their degrees.