



Statement on the Biden-Harris FY 2023 Budget Proposal

March 29, 2022

Yesterday the Biden-Harris Administration released their [proposed budget for fiscal year 2023](#) that will kick off Congressional funding negotiations this year. The budget proposal comes on the heels of the recent [fiscal year 2022](#) government funding bill signed on March 15, 2022.

“The President’s FY 2023 budget proposal includes some increases in funding for higher education and financial aid but, unfortunately, falls short in meeting the scale of the crisis of student basic needs insecurity, rising college costs, and ballooning student debt,” said Bryce McKibben, Senior Director of Policy & Advocacy for The Hope Center for College, Community, and Justice.

With [three in five college students](#) not having enough to eat or a safe place to live, and a growing racial wealth gap, we urgently need transformative investments to make higher education affordable. While increases to the Pell Grant would benefit many students in the near-term, without a state-federal partnership like free community college, these investments will do little to stop price increases from being passed onto the students and families who can least afford it. Additionally, with cornerstone college affordability and equity proposals dropped from last year’s budget request, and with the Administration seeking only flat funding across several other financial aid programs, any new investments in the Pell Grant program may be significantly undermined.

Modest bumps to some institutional aid programs, and a lack of financial aid reform, will permit systemic inequities for under-resourced institutions to deepen. Community colleges, Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and other Minority-Serving Institutions (MSIs) already receive significantly fewer resources than other four-year or predominantly white institutions. The budget proposal is a far cry from the investments made in the House-passed Build Back Better Act, which included crucial new funding to improve college affordability, equity, retention, and completion, and other social safety net programs that would help meet the needs of #RealCollege students in the short- and long-term.

We [continue to encourage](#) the Biden-Harris Administration and Congress to include higher education investments in any reconciliation bill considered this year. We will advocate strongly to substantially increase discretionary funding for students’ basic needs, financial aid, and direct support for community colleges, HBCUs, TCUs, and other MSIs. And, we look forward to working with the Biden-Harris Administration on consequential administrative actions in 2022 to support #RealCollege students.

Details of the Biden-Harris Administration's FY2023 Budget Proposal:

- Child Care Access Means Parents In School (CCAMPIS) would receive \$95 million, a \$30 million increase from FY22 enacted level. Advocates have requested a \$500 million [investment](#).
- Aid for Institutional Development for HBCUs/TCUs/MSIs would receive \$1.134 billion in discretionary funding, a \$249 million increase from FY22 enacted level.
- The budget drops key proposals that were included in Biden-Harris Administration's FY 2022 budget request and Build Back Better agenda:
 - The budget no longer includes the proposal for an America's College Promise state-federal partnership (free community college and support for students at HBCUs, TCUs, and other MSIs), as it did in the FY22 proposal at \$19 billion per year.
 - The budget no longer includes the funding necessary to support an expansion of financial aid eligibility to recipients of Deferred Action for Childhood Arrivals (DACA) as it did in FY22 and in the House-passed Build Back Better Act, but instead now includes a statement that the Administration "intends to work with Congress" on the policy.
 - Retention and Completion Grants would receive \$110 million, down from \$500 million in House-passed Build Back Better Act.
 - Grants to promote MSI Research and Development would receive \$450 million, down from \$3 billion in the House-passed Build Back Better Act.
 - Strengthening Community College Training Grants would receive \$100 million, down from \$4.9 billion in House-passed Build Back Better Act.
 - There are no proposed increases to mandatory funding for HBCUs, TCUs, and MSIs. The House-passed Build Back Better Act contained a \$6 billion mandatory increase for Titles III and V.
 - No longer includes funding to extend the monthly Child Tax Credit (CTC), as included in the House-passed Build Back Better Act.
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- The Basic Needs Grants program, funded at \$5 million in FY21 and recently increased to \$7 million in FY22, is proposed for elimination (zeroed out). There is no other mention of students' basic needs security in the budget proposal outside of Retention and Completion Grants.
- The Pell Grant maximum award would be \$8,670 for the 2023-24 award year, a \$1,775 increase from FY22 enacted level. While a significant increase, at this level, the maximum grant would still cover just 33% of the average yearly total [cost of attendance](#) of a student attending public-four year college and living off-campus (\$25,972 per year) and 44% of such costs for a student attending a community college and living off-campus (\$19,577 per year).

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 - The federal Supplemental Educational Opportunity Grant (FSEOG) program would receive \$880 million, a \$15M decrease from FY22 enacted level. The Administration likely intended to level-fund this program.
 - The federal Work-Study (FWS) program would receive \$1.19 billion, a \$20M decrease from the FY22 enacted level. The Administration likely intended to level-fund this program.
 - Student Aid Administration would receive \$2.654 billion for student loan servicing activities, and implementation of the FAFSA Simplification Act and FUTURE Act, a \$621 million (30.5%) increase over the FY22 enacted level.

The budget says the Administration “looks forward to working with Congress” on income-driven repayment (IDR), even though the U.S. Department of Education has the power to simplify IDR on its own through [rulemaking](#) and [waivers](#).

Makes [permanent](#) the exclusion of student debt relief from taxation, which was enacted through calendar year 2025 under the American Rescue Plan Act.

Does not propose to exclude Pell Grants from taxation, as included in the House-passed Build Back Better Act.

A billionaire minimum tax and increase in the corporate tax rate would support [deficit reduction](#) instead of new investments in non-defense programs, such as education.

For more on how the Biden-Harris Administration and Congress can transform higher education and safety net programs to meet students’ basic needs and allow students to focus on learning, check out The Hope Center’s [2022 Federal Policy Priorities](#).