

October 6, 2024

Dear Governor Healey & Lieutenant Governor Driscoll,

We, the undersigned organizations, write today to reiterate our sincere appreciation for your continued leadership in expanding higher education opportunities across the Commonwealth. Your efforts in launching initiatives like the MassReconnect program and expanding MassGrant Plus have been instrumental in helping more students achieve their goal of earning a postsecondary degree. We also deeply value our ongoing partnership as we work together to dismantle the remaining financial, academic, and social barriers, ensuring that all students—especially those from low-income backgrounds, students of color, and first-generation college students—have equitable access to higher education.

As you plan for the FY26 budget, we would like to offer several recommendations that build upon these critical investments. These recommendations focus on two core principles: 1) continuing to remove financial barriers in ways that support students in finding the best institutional fit for their needs, and 2) enhancing student success and completion. We urge the administration to prioritize programs and initiatives that reflect these principles as you look toward FY26 and beyond.

Specifically, we propose allocating an **additional \$235 million in FY26 from new fair share funds** toward programs that support these goals, as described below. Last year, the millionaire's tax generated over \$2.2 billion in revenue, yet only \$1.3 billion was allocated, with about 19% directed to higher education (down from 23% in FY24). Given the consistent revenue, we believe that a \$235 million investment in FY26 towards essential programs focused on affordability and success is both feasible and necessary to build on the progress achieved so far. This amount represents slightly more than 10% of the total Fair Share revenue or about 18% of the allocated funds in FY25 and would also leave ample resources for other higher education needs like building faculty and staff capacity, maintenance, or enhancing transfer pathways.

FY26 Recommendations

- 1 **Increased Financial Aid For Low-to Moderate-Income Families: \$25 million to further expand MASSGrant Plus.** Currently, the MassGrant Plus Program Expansion covers 100% of tuition and fees for Pell-eligible students and 50% of tuition and fees for low-to-moderate-income students attending the 2-year or 4-year public institution of their choice. We recommend expanding the program to cover 100% of tuition and fees for low-to-moderate-income students whose Student Aid Index (SAI) does not exceed \$15,000 and who continue to face significant financial barriers. This proposed increase in funding will ensure that more students have the option of attending an institution that best meets their unique needs, whether that be a 2-year or 4-year program. This change would benefit approximately 3,200 State University students and 4,300 UMASS students with moderate incomes.

2

Increased Basic Needs Support For Pell Students: \$100M to increase the basic needs stipend for Pell Grant-eligible students at all public higher education institutions.

It is imperative that we continue providing more targeted support to cover the continued unmet needs of students who face the greatest financial challenges. Pell recipients under MassEducate currently receive a \$1,200 stipend for indirect costs, in addition to a last-dollar tuition/fee-free grant and up to \$1,200 for books and supplies. However, they still face significant unmet financial needs. Research shows this unmet need contributes to their low graduation rates as they struggle to afford basic need costs like those associated with transportation, housing, childcare, and more. This issue similarly affects Pell recipients at State Universities and UMASS campuses, who currently receive only up to \$1,200 for books and supplies under MassGrant Plus Expansion, with no additional support for basic needs. To address this shortfall and to streamline benefits across programs and simplify messaging, we recommend **expanding the combined stipend to \$4,000 for all Pell-eligible students** to more fully cover the substantial indirect costs that we know remain a barrier to access and completion for underserved students. This would benefit 56,000 students, and would cost an estimated \$100M. While this would be a step in the right direction, we acknowledge that these amounts still fall short of covering the full financial challenges faced by students from low-income backgrounds.

3

ASAP/ACE Program Replications: \$110M to enhance and expand the scope of SUCCESS programs.

If we want to ensure that our financial aid investments are leading to more students obtaining a degree, the state must do more to boost graduation rates by providing essential wraparound services that help support completion. Early data show that participation in the programs funded by the SUCCESS fund increases college persistence by as much as 16 percentage points. However, the program currently serves only a fraction of eligible students, and with anticipated increases in enrollment, it is essential to grow this funding. Therefore, we recommend allocating \$110M to expand and closely align student support services funded by the SUCCESS program with evidence-based practices, like the City University of New York's ASAP (Accelerated Study in Associate Programs) program and the CUNY ACE (Accelerate, Complete & Engage) program, both of which have demonstrated impressive outcomes in improving graduation rates. The model offers a comprehensive suite of wraparound support services for low-income students, including academic advising, targeted tutoring, financial aid counseling, and heightened access to on-campus resources. It would offer additional benefits if incorporated into the SUCCESS program moving forward. By expanding the scope of SUCCESS to include the elements reflected in both ASAP and ACE, the Commonwealth can further enhance its efforts to support low-income students and ensure that they have the resources they need to succeed.

Thank you for considering these recommendations. We believe they represent a forward-thinking, reasonable, and equitable approach to strengthening Massachusetts' higher education system in ways that will ultimately lead to better student outcomes, while also leaving sufficient Fair Share revenue to address other pressing needs in higher education. We welcome the opportunity to discuss these ideas further and look forward to our continued collaboration in creating a truly affordable and equitable public higher education system for all students in the Commonwealth.

Gratefully,

