

News Release



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GARCETTI, GARCIA HIGHLIGHT NEW COLLEGE FINANCIAL AID OPPORTUNITIES IN OBAMA ECONOMIC RECOVERY PACKAGE

Increased aid could help the 150,000 students in LA community colleges and thousands at local universities through increased grants and tax credits

LOS ANGELES – Los Angeles City Council President Eric Garcetti and Los Angeles Unified School Board President Mónica García visited Bravo Medical Magnet High School today to highlight new college financial aid opportunities in President Barack Obama’s economic recovery package. This aid will expand federal programs to serve potentially more than 1 million additional students nationwide, helping to make college more affordable in this down economy.

“Quality education for all is the foundation of our economy, so it makes perfect sense that President Obama made college affordability a key element of the stimulus package,” said School Board President Mónica García, whose district includes Bravo Medical Magnet, where more than 90 percent of seniors last year went to college. “No student in Los Angeles should shut the door on college because of the price tag.”

“We all know how important a college education is to the success of our young people and to our city’s future. President Obama has expanded college financial aid opportunities to help more students pursue their dreams, and we want to get the word out to L.A. students and families that help is available to make college more affordable. We don’t want students to give up on a college education because they are worried about paying for it,” said Council President Garcetti.

Increasing financial aid to make college more affordable was included as part of President Obama’s economic recovery package and is one of a number of initiatives implemented within his first 100 days in office to help families during this economic recession. The federal stimulus package:

- Increased the number and amounts of Pell Grants. Funding the Pell Grant

(more)

program by an additional \$17 billion to serve close to 7 million students, the stimulus increased the maximum amount of a Pell Grant to \$5,350 for the 2009-2010 school-year, up from \$4,731 in 2008-2009. Pell Grants do not need to be repaid and are typically awarded to students from low- to moderate-income families (\$40k per year or less). The Pell Grant can be used for tuition and living expenses. Increased funding to the Pell Grant program will increase the number of recipients next year by approximately 800,000 students, according to an estimate by Finaid.com.

- Created American Opportunity Tax Credit. Investing \$13.8 billion into tax credits for students from families earning up to \$180,000, the American Opportunity Tax Credit offers up to \$2,500 per year for the first four years of college. The credit is available on a sliding scale for families with a maximum Adjusted Gross Income (AGI) of less than \$90k (single) or \$180k (couples). The credit is also partially refundable, which means that those who do not pay income tax can claim up to \$1,000. This tax credit can be claimed against tuition, fees, and textbook expenses.
- Increased Work Study funding. The recovery bill added \$200 million for federal work study programs. This will allow an additional 181,000 students to participate in work study, according to an estimate by Finaid.com.
- Allows 529 funds to be used to buy computers. The recovery bill allows tax-free withdrawals from 529 college savings plans for students to purchase a computer.

Locally, the increased federal grants and tax credits will give a boost to Los Angeles' thousands of community college and private university students. According to the Los Angeles Community College District – where average tuition for one year is \$600 – almost half of its 157,245 students last year received financial aid, including 24,091 receiving Pell Grants.

Los Angeles students who want to learn more about financial aid opportunities may visit the L.A. Cash for College website at <http://www.lacashforcollege.org>. This year, approximately 6,400 students participated in Cash for College workshops to receive assistance with applying for college financial aid.

Garcetti and García were joined by Bravo Medical Magnet High School Principal Maria Torres Flores, Los Angeles Community College District Vice President Ramon Castillo, and Bravo seniors who are preparing to attend college in the fall.

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