



March 19, 2025

The Honorable Shelley Moore Capito
Chair
Subcommittee on Labor-HHS-Education
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Tammy Baldwin
Ranking Member
Subcommittee on Labor-HHS-Education
Senate Committee on Appropriations
Room S-128, The Capitol
Washington, DC 20510

The Honorable Robert Aderholt
Chair
Subcommittee on Labor-HHS-Education
House Committee on Appropriations
Room H-307, The Capitol
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor-HHS-Education
House Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

Dear Chairs Capito and Aderholt and Ranking Members Baldwin and DeLauro:

On behalf of the Student Aid Alliance, we write to urge you to protect and maintain funding for federal student aid programs in fiscal year (FY) 2026. Both Republicans and Democrats have historically supported the federal student aid programs to ensure that all students have access to a postsecondary education and an opportunity to succeed in college and beyond. Because of the history of bipartisan support, we hope Congress will continue to ensure these programs are robustly funded to best serve student needs.

Increasing access to colleges and universities through the federal student aid programs allows students to remain competitive in a growing workforce with an increasing demand for college credentials. By 2033, the Bureau of Labor Statistics predicts that there will be 4.6 million new jobs requiring a postsecondary credential, far outnumbering the new jobs that will not require one.¹ College graduates earn more than \$1.2 million more over their lifetime than high school graduates and are far more likely to be employed and pay taxes.

As Congress turns to the FY 2026 appropriations process, we ask that you advocate for the highest allocation to the Subcommittee on Labor-HHS-Education so that student aid funding can remain a high priority in the overall bill. The federal student aid programs were created to ensure low- and middle-income students have the same opportunities as their more affluent peers. These programs play a vital role in building a competitive workforce and bolstering social and economic mobility.

For FY 2026, we respectfully request the following funding levels:

¹ U.S. Bureau of Labor Statistics. (2024, August 29). *Employment projections: Occupations that need more education for entry are projected to grow faster than average.* <https://www.bls.gov/emp/tables/education-summary.htm>

Pell Grants: We ask that the current maximum Pell Grant award be increased to **\$7,595**, while working towards a maximum funding amount of \$13,000, double the FY2021 level. The \$200 increase to the program provides an inflationary adjustment over FY 2024 levels.

Over 7 million students currently use Pell Grants to help pay for college. As the cornerstone of the federal student aid programs, the Pell Grant is the single most important tool to enable low-income students to afford college. The current maximum Pell Grant award covers between 13 percent and 30 percent of the average tuition, fees, housing, and food at institutions of higher education,² and a study by the National Bureau of Economic Research found that Pell Grant recipients return taxpayers' investment in just ten years due to higher graduate rates, employment, earnings, and taxes paid.³ Providing an inflationary adjustment to the grant is critical for low-income students and our economic competitiveness.

We are aware of the estimated \$2.7 billion shortfall in Pell Grant program funding for FY 2025,⁴ and ask Congress to address the funding shortfall to protect the program's fiscal health. Adding mandatory funding in budget reconciliation legislation is one possible way to achieve this goal, and we encourage Congress to consider this avenue for protecting the Pell Grant program. Keeping the Pell Grant program on a sustainable path moving forward provides certainty that current and prospective students will be able to access vital grant aid to help pay for college.

Campus-Based Aid: The campus-based aid programs are critical components of federal student aid. These programs have always required "skin in the game" from institutions by requiring a match from colleges and universities to participate. The two main campus-based aid programs are the Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) programs. FSEOG provides targeted, need-based grant aid of up to \$4,000 per student to over 1.6 million students.⁵ Participating colleges and universities match federal dollars to make more than \$1.2 billion in grant aid available. Over 99 percent of all FSEOG recipients are Pell Grant recipients, and FSEOG recipients have higher need on average than students receiving only Pell Grants. The FWS program provides federal and institutional funding to support part-time employment for more than 600,000 undergraduate and graduate students to help them pay their college costs and gain valuable work experience.

We request that FSEOG funding be increased to **\$966.26 million**, and FWS funding be increased to **\$1.31 billion**. Providing these inflationary increases from FY23, the most recent time these programs received an increase in funding, will ensure students can continue to have additional grant aid for college and have work opportunities that provide job experience.

Federal TRIO Programs: The Federal TRIO programs should be increased to **\$1.23 billion**. Increased funding would strengthen the academic, financial, and cultural supports provided by TRIO and move the programs closer to their goal of serving 1 million low-income, first-generation students. An FY26 increase would particularly support growth in the number and size of TRIO's Student Support Services program, as the Department of Education will award new grants in the fiscal year, and run new grant competitions for the Talent Search and Educational Opportunity Center programs. As the only national undergraduate retention and

² Ma, J., Pender, M., & Oster, M. (2024). *Trends in college pricing and student aid 2024*. College Board. <https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2024-ADA.pdf>

³ Denning, J.T., Marx, B.M., & Turner, L.J. (2018). *Propelled: The effects of grants on graduation, earnings, and welfare*. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w23860/w23860.pdf

⁴ Congressional Budget Office. (2025, January). Pell grant program. <https://www.cbo.gov/system/files/2025-01/51304-2025-01-pellgrant.pdf>

⁵ U.S. Department of Education. (2024). *Fiscal year 2025 budget summary*. <https://www2.ed.gov/about/overview/budget/budget25/summary/25summary.pdf> (all data in this letter is pulled from this source unless otherwise noted)

support program, investment in this program is critical. A funding increase would also allow TRIO programs to keep pace with the drastic increase in costs of maintaining high quality services. This includes support for Upward Bound and Upward Bound Math-Science, which provide intensive pre-college support for first-generation and low-income high school students; Veterans Upward Bound, supporting first-generation and low-income military veterans on the path to college; Ronald E. McNair Postbaccalaureate Achievement, which helps low-income, first-generation and underrepresented college students prepare for graduate education; Talent Search, which provides postsecondary exploration for middle and high school students; and Educational Opportunity Centers, which helps low-income and unemployed adults re-enter the education pipeline.

A robust investment in TRIO will help ensure that low-income students, first-generation students, and students with disabilities successfully prepare for, enroll in, and graduate from postsecondary programs and make wise choices in paying for college.

Gaining Early Awareness and Readiness in Undergraduate Programs (GEAR UP): GEAR UP funding should be increased to **\$410 million**. This increase would bring approximately 40,000 new students into the program and increase the overall number of students served to 570,000. Increased funding is needed to meet the high demand from communities, states, and expiring grantees to apply for new GEAR UP awards. GEAR UP has a proven track record of success in preparing students to enter and succeed in college.

Graduate Assistance in Areas of National Need (GAANN): Funding for the GAANN program should be increased to **\$28.6 million** to reflect the need for increased investment in American competitiveness. GAANN competitive grants offer support to top students studying in fields directly related and designated for current competitive needs. Increased funding for GAANN would allow for nearly 400 fellowships.

Thank you for considering our requests. Without the strong partnership between the federal government, states, institutions, and families, millions of students would not be able to pursue their postsecondary education. We call on Congress to continue its bipartisan support of federal student aid programs—which combine grants, work-study, and loan programs—to enable low- and middle-income students to succeed.

Sincerely,

ACPA-College Student Educators International
American Association of Colleges of Nursing
American Association of Collegiate Registrars and Admissions Officers
American Association of State Colleges and Universities
American Council on Education
American Indian Higher Education Consortium
American Psychological Association
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Association of Public and Land-grant Universities
Council for Christian Colleges & Universities
Council for Opportunity in Education
Council of Graduate Schools
Council of Independent Colleges
Council on Social Work Education
Hispanic Association of Colleges and Universities

National Association for College Admission Counseling
National Association of College and University Business Officers
National Association of College Stores
National Association of Colleges and Employers
National Association of Independent Colleges and Universities
National Association of State Student Grant and Aid Programs
National Association of Student Financial Aid Administrators
National College Attainment Network
National Council for Community and Education Partnerships
National Education Association
Phi Beta Kappa Society
State Higher Education Executive Officers Association
Work Colleges Consortium
Yes We Must Coalition

Cc:

The Honorable Bill Cassidy, Chair, Senate Health, Education, Labor and Pensions Committee
The Honorable Bernie Sanders, Ranking Member, Senate Health, Education, Labor and Pensions Committee
The Honorable Tim Walberg, Chairman, House Committee on Education and Workforce
The Honorable Bobby Scott, Ranking Member, House Committee on Education and Workforce