



March 12, 2026

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) 2027. 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 2034, the Bureau of Labor Statistics predicts that there will be 3.7 million new jobs requiring a postsecondary credential, far outnumbering the new jobs that will not require one.¹ In addition, the median household income of those with a bachelor's degree was \$132,700, more than double the \$58,410 median household income of those with a high school diploma.²

As Congress turns to the FY 2027 appropriations process, we ask that you advocate to increase the allocation to the Subcommittee on Labor-HHS-Education so that student aid funding can remain a high priority in the overall bill. Of utmost importance is to pay for the estimated funding shortfall in the Federal Pell Grant program.

For FY 2027, the Pell Grant program is predicted to face a \$17 billion shortfall.³ As a result of the

¹ U.S. Bureau of Labor Statistics. (2025, August 28). *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>

² U.S. Census Bureau. (2025, September 9). *How education impacted income and earnings from 2004 to 2024*. U.S. Department of Commerce. <https://www.census.gov/library/stories/2025/09/education-and-income.html>

³ Congressional Budget Office. (2026, February). *Pell grant program: Baseline projections* [Table 4. Federal Pell Grant Program: Projected Cumulative

bipartisan passage of the FAFSA Simplification Act of 2020, eligibility for the maximum Pell Grant expanded by 1.7 million additional students and increased access to the program for over 555,000 students. Implementing these bipartisan eligibility expansions resulted in available program funding to go from a \$14.6 billion surplus in FY 2022 to a \$17 billion shortfall in FY 2027.⁴ We support increased access to the Pell Grant for students and strongly believe that Congress should provide the necessary resources to fully fund the shortfall and place the Pell Grant program on a sustainable path moving forward.

In addition to funding the Pell Grant program, for FY 2027, we respectfully request the following funding levels to maintain federal student aid:

Pell Grants: While funding the Pell Grant shortfall is our main priority, we would also support any increase to the current maximum Pell Grant award. In keeping with the inflationary increases for the other student aid programs, an inflationary adjustment to the Pell Grant maximum would be \$200.

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 16 percent and 62 percent of the average tuition, fees, housing, and food at institutions of higher education,⁵ 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 graduation rates, employment, earnings, and taxes paid.⁶ Providing an inflationary adjustment to the grant is critical for low-income students and our economic competitiveness.

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.⁷ Participating colleges and universities match federal dollars to make more than \$1.4 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 nearly 500,000 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 the FY 2023 levels, the most recent time these programs received a funding increase, 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 **\$1.3 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 increase in FY 2027 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 support program, investment in this program is critical. A funding increase

Shortfall]. <https://www.cbo.gov/system/files/2026-02/51304-2026-02-pellgrant.pdf>

⁴ The FAFSA Simplification Act of 2020 was led by then-Chairman Lamar Alexander (R-TN) of the Senate Committee on Health, Education, Labor, and Pensions. On December 27, 2020, President Donald J. Trump signed [H.R. 133, the Consolidated Appropriations Act of 2021](#), into law that housed the FAFSA Simplification Act of 2020.

⁵ Ma, J., Pender, M., & Xiaowen, H. (2025). *Trends in college pricing and student aid 2025*. College Board. https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2025-final_2.pdf

⁶ Denning, J. T., Marx, B. M., & Turner, L. J. (2019). ProPelled: The Effects of Grants on Graduation, Earnings, and Welfare. *American Economic Journal: Applied Economics*, 11(3), 193–224. <https://www.aeaweb.org/articles?id=10.1257/app.20180100>

⁷ U.S. Department of Education. (2025). *Student financial assistance: Fiscal year 2026 budget request*. <https://www.ed.gov/media/document/fy-2026-congressional-justification-student-financial-assistance-110145.pdf> (all data in this letter is pulled from this source unless otherwise noted)

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 626,000. 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,

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