



September 25, 2024

Secretary Miguel Cardona
U.S. Department of Education
400 Maryland Ave. SW
Washington, DC 20024

Director Shalanda Young
Office of Management and Budget
The White House
Washington, DC 20500

Dear Secretary Cardona and Director Young:

On behalf of the Student Aid Alliance, we write to ask the administration to provide robust increases for federal student aid in its fiscal year (FY) 2026 budget proposal.

Now, more than ever, the programs that help low- and middle-income students access and succeed in postsecondary education need additional funding to ensure students can pursue their higher education goals. Due in part to the issues with the 2024-25 Free Application for Federal Student Aid, we have seen deeply concerning declines in enrollment for the 2024-25 academic year.¹ Investing in higher education supports our workforce, as college graduates are much more likely to be employed, and they earn and contribute to the economy much more over their lifetime than adults without a college degree.² Further, strengthening and increasing student aid and outreach programs can improve socioeconomic diversity and equity in college applications, enrollment, persistence, and completion. Student aid and outreach programs also help to improve economic mobility for those from low socioeconomic backgrounds.³

For FY 2026, we respectfully request significant increases for the following:

Pell Grants: We greatly appreciate President Biden's FY 2025 budget proposal, which took steps toward doubling the Pell Grant maximum award over FY 2021 levels by 2029. Similarly, we urge that the administration's FY 2026 budget request continue working toward the goal of doubling the Pell Grant maximum award. The Pell Grant program is the single most important tool to enable low-income students to afford college. Increasing the maximum Pell Grant to at least \$13,000, which aligns with our FY 2025 request, would restore much of the purchasing power in the program and increase college affordability. A study shows that Pell Grants pay back the government's investment within ten years, due to college graduates'

¹ Moody, J. (2024, August 5). *Declining enrollment, FAFSA issues led to more cuts in July*. Inside Higher Ed. https://www.insidehighered.com/news/business/cost-cutting/2024/08/05/declining-enrollment-fafsa-issues-drove-more-cuts-july?utm_source=Inside+Higher+Ed&utm_campaign=fa5c1f7c99-DNU_2021_COPY_o2&utm_medium=email&utm_term=0_1fcbco4421-fa5c1f7c99-237744613&mc_cid=fa5c1f7c99&mc_eid=5ccodda2a8

² Ma, J., & Pender, M. (2023). *Education pays 2023: The benefits of higher education for individuals and society*. College Board. <https://research.collegeboard.org/media/pdf/education-pays-2023.pdf>

³ Strohl, J., Gulish, A., & Morris, C. (2024). *The future of good jobs: Projections through 2031*. Georgetown University Center of Education and the Workforce. https://cew.georgetown.edu/wp-content/uploads/cew-the_future_of_good_jobs-fr.pdf

higher earnings and taxes after graduation.⁴

Campus-Based Aid: In the FY 2025 budget, we were disappointed the administration did not request increases for campus-based aid programs, and we remain concerned about proposed cuts in House appropriations bills that would slash funding for these crucial programs. These programs have not kept up with the pace of inflation, which is why we asked for \$1.603 billion for Federal Work Study (FWS) and \$1.15 billion for the Federal Supplemental Educational Opportunity Grant (SEOG) for FY 2025. As such, we urge the administration to signal its strong support for these programs by calling for significant funding increases in FY 2026.

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 to participate. The SEOG program provides targeted, need-based grant aid of up to \$4,000 per student to over 1.6 million students. Participating colleges match federal dollars to make \$1.3 billion in grant aid available.⁵ These recipients have a higher need on average than students receiving only Pell Grants, and SEOG is not duplicative of the Pell Grant program because SEOG gives institutions flexibility to target high-need students.

The FWS program provides federal and institutional funding to support part-time employment for 630,000 students to help them pay their college costs. Aid available to students totals \$1.3 billion when combining federal and institutional matching dollars.⁶ Studies show that work-study participants have higher persistence, graduation, and post-graduation employment rates.^{7,8}

TRIO: We appreciate the President’s commitment to provide historic increases to TRIO. For FY 2025, we asked for \$1.26 billion and further increased funding for this program would allow for strengthening the academic, financial, and cultural supports provided by TRIO, and allow programs to keep pace with the drastic increase in cost of maintaining high quality services while expanding access to higher education. Increasing TRIO funding will help ensure that more 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 financing their education. TRIO program services include academic enrichment, mentorship and career guidance, and critical assistance with FAFSA completion.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP): We appreciate the Administration’s request for GEAR UP increases. For FY 2025, we advocated for \$410 million for the program. We believe that increases for GEAR UP would help meet the high demand from new communities, states, and expiring grantees to apply for new 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): As the only graduate

⁴ 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://doi.org/10.1257/app.20180100>

⁵ Department of Education. (2024, March 12). *Student aid overview: Fiscal year 2025 budget proposal*. <https://www.ed.gov/sites/ed/files/about/overview/budget/budget25/justifications/p-sao.pdf>

⁶ Department of Education. (2024, March 12). *Student aid overview: Fiscal year 2025 budget proposal*. <https://www.ed.gov/sites/ed/files/about/overview/budget/budget25/justifications/p-sao.pdf>

⁷ Scott-Clayton, J., & Minaya, V. (2016). Should student employment be subsidized? Conditional counterfactuals and the outcomes of work-study participation. *Economics of Education Review*, 52, 1–18. <https://www.sciencedirect.com/science/article/abs/pii/S0272775715000825?via%3Dihub>

⁸ Leonard, A. J., Akos, P., & Hutson, B. (2021). The Impact of Work-Study Participation on the Career Readiness of Undergraduates. *Journal of Student Financial Aid*, 52(1). <https://doi.org/10.55504/0884-9153.1758>

student assistance in the humanities, the GAANN program should receive an increase to the authorized funding level to indicate support and provide much needed investments for this important program. GAANN competitive grants support students studying in fields directly related to American competitiveness.

We appreciate your support for all students, and we call on you to bolster your support for the federal student aid programs. We strongly believe that this support will enable low-income students to succeed on their postsecondary education journey and contribute to the economy and their communities.

Sincerely,

SAA Steering Committee



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and Land-grant Universities



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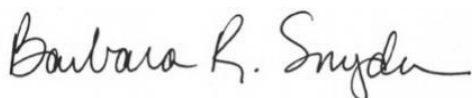
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Consortium on Financing Higher Education

Council for Christian Colleges and Universities

Council for Opportunity in Education

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National Association of Colleges and Employers

National Association of Diversity Officers in Higher Education

NAFSA: Association of International Educators

National Association of Graduate-Professional Students

National Association of Independent Colleges and Universities

National Association of State Student Grant and Aid Programs

National Association of Student Financial Aid Administrators

NASPA – Student Affairs Administrators in Higher Education

National College Attainment Network (NCAN)

National Council for Community and Education Partnerships

National Education Association

The Phi Beta Kappa Society

State Higher Education Executive Officers Association

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Work Colleges Consortium

Yes We Must Coalition