



May 12, 2026

The Honorable Linda McMahon  
U.S. Secretary of Education  
400 Maryland Ave SW  
Washington, D.C. 20202

Dear Secretary McMahon:

On behalf of the Student Aid Alliance, we write to you in response to the U.S. Department of Education's ("the Department") FY 2027 budget request to Congress for federal student aid programs. These programs have historically received strong bipartisan support to ensure that all students have access to a postsecondary education and an opportunity to succeed in college and the workforce.

We sincerely appreciate the meeting held by the Department with members of the Student Aid Alliance steering committee earlier this year to listen to our perspectives and priorities. The main priority the Student Aid Alliance communicated to the Department was to fully fund the shortfall in the Federal Pell Grant program without reducing the maximum Pell award or making changes to the program eligibility requirements. For FY 2027, the Pell Grant program is predicted to face a \$17 billion shortfall,<sup>1</sup> the result of bipartisan passage of the FAFSA Simplification Act of 2020. This law increased eligibility for the maximum Pell Grant by 1.7 million additional students and expanded overall access to the program for over 555,000 students.

Implementing these bipartisan eligibility expansions resulted in the program having \$14.6 billion in reserves in FY 2022 to a \$17 billion shortfall in FY 2027.<sup>2</sup> Congress should provide the necessary resources to fully fund this shortfall and place the Pell Grant program on a sustainable path moving forward.

We thank the Department for requesting a \$10.5 billion allocation to the Pell Grant program in its FY 2027 budget request to Congress. This request is nothing short of a major acknowledgment of the critical function this program plays in the lives of more than 7 million students who receive Pell Grants. Without access to this aid, many of the nation's low-income students would not have access to a postsecondary education and the social and economic mobility that education provides. The current maximum Pell Grant award covers between 16 percent and 62 percent of the average cost of

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<sup>1</sup> Congressional Budget Office. (2026, February). *Pell grant program: Baseline projections* [Table 4. Federal Pell Grant Program: Projected Cumulative Shortfall]. <https://www.cbo.gov/system/files/2026-02/51304-2026-02-pellgrant.pdf>

<sup>2</sup> 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.

tuition, fees, housing, and food at institutions of higher education.<sup>3</sup> 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.<sup>4</sup>

In addition to fully funding the Pell Grant, the Student Aid Alliance is advocating for robust funding for the other five student aid programs administered by the Department. Federal Work-Study (FWS), the Federal Supplemental Educational Opportunity Grant (FSEOG), the Federal TRIO Programs, the Gaining Early Awareness and Readiness in Undergraduate Programs (GEAR UP), and the Graduate Assistance in Areas of National Need (GAANN) are all crucial to making sure students persist through their education and graduate. We are deeply concerned that the Department's FY 2027 budget request calls for either terminating or severely cutting funding to these programs.

### **FWS**

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. To continue this important work, we request \$1.31 billion for FWS. The Department requested \$123 million—a 90 percent reduction from the program's FY 2026 appropriation. The proposal would also require that employers cover 90 percent of a student's hourly wage, a significant increase from their traditional 25 percent share, while the federal share would decrease from 75 percent to 10 percent.

### **FSEOG**

FSEOG provides targeted, need-based grant aid of up to \$4,000 per student to more than 1.6 million students.<sup>5</sup> Participating colleges and universities match federal dollars to make more than \$1.4 billion in grant aid available. Nearly all FSEOG recipients are also Pell Grant recipients, and FSEOG recipients have higher need on average than students receiving only Pell Grants. We request \$966.26 million for FSEOG for FY 2027. Its FY 2026 appropriation was \$910 million, and the Department proposes terminating this program in FY 2027.

### **TRIO**

Federal TRIO Programs help low-income, first-generation Americans enter college, graduate, and launch a career. The programs provide a pipeline of educational outreach and student support services from middle school through postgraduate study. The institution-based programs provide tutoring, personal, financial, and career counseling, and special instruction in reading, writing, mathematics, and study skills.

A funding increase would also allow TRIO programs to keep pace with the drastic increase in costs of maintaining high quality student support 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; the Ronald. E. McNair Postbaccalaureate

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<sup>3</sup> 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](https://research.collegeboard.org/media/pdf/Trends-in-College-Pricing-and-Student-Aid-2025-final_2.pdf)

<sup>4</sup> 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>

<sup>5</sup> 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)

Achievement Program, 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 help low-income and unemployed adults re-enter the education pipeline.

We request that the Federal TRIO Program receive an increase in funding to \$1.3 billion for FY 2027. Its FY 2026 appropriation was \$1.19 billion, and the Department proposes terminating this program in FY 2027. We also encourage Congress to maintain the longstanding funding structure of TRIO grant competitions and avoid the potential dilution of services in various parts of the country.

### **GEAR UP**

GEAR UP programs target at-risk 7th grade cohorts and work with them through high school to prepare and apply for college. States and local partnerships receive federal funds to create programs. An increase in funding would bring approximately 40,000 new students into the programs, raising the number of students served to 626,000. Greater funding would meet the high demand from communities, states, and expiring grantees who seek to apply for new GEAR UP awards. This program has a proven track record of success in preparing students to enter and succeed in college. We request that GEAR UP receive an increase in funding to \$410 million to support these students in FY 2027. Its FY 2026 appropriation was \$388 million, and the Department proposes terminating this program in FY 2027.

### **GAANN**

The GAANN program supports graduate students who are preparing for roles in research and teaching. GAANN targets high-performing and high-need graduate students in areas of national competitiveness. Increasing funding for GAANN would allow for nearly 400 fellowships. We request that GAANN receive an increase in funding to \$28.6 million for FY 2027. Its FY 2026 appropriation was \$23.5 million, and the Department proposes terminating this program in FY 2027.

Increasing access to colleges and universities through the federal student aid programs allows students to remain competitive in a job market that increasingly demands 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. 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.<sup>6</sup>

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 will continue to call on Congress to continue its bipartisan support of federal student aid programs to enable low- and middle-income students to succeed.

Sincerely,

Achieving the Dream  
ACPA-College Student Educators International

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<sup>6</sup> 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>

American Association of Colleges and Universities  
American Association of Colleges of Nursing  
American Association of Collegiate Registrars and Admissions Officers  
American Association of Community Colleges  
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 Governing Boards of Universities and Colleges  
Association of Jesuit Colleges and Universities  
Association of Public and Land-grant Universities  
Council for Christian Colleges and Universities  
Council for Opportunity in Education  
Council of Independent Colleges  
Council on Social Work Education  
EDUCAUSE  
Hispanic Association of Colleges and Universities  
NASPA–Student Affairs Administrators in Higher Education  
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 Diversity Officers in Higher Education  
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  
Phi Beta Kappa Society  
UPCEA–The Online and Professional Education Association  
Yes We Must Coalition