

United States Senate

WASHINGTON, DC 20510

May 20, 2025

The Honorable Shelley Moore Capito
Chair
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
170 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Tammy Baldwin
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
141 Hart Senate Office Building
Washington, D.C. 20510

Dear Chair Capito and Ranking Member Baldwin:

As the subcommittee considers the Fiscal Year 2026 Labor, Health and Human Services, Education, and Related Agencies appropriations bill, we request you provide the highest possible amount of funding for the Office of Federal Student Aid (FSA) within the Department of Education (ED or the Department).

FSA is the largest provider of student financial aid in the nation, serving over 46 million people and overseeing a \$1.6 trillion student loan program.¹ FSA is responsible for managing the financial assistance programs authorized under Title IV of the *Higher Education Act*, which includes work-study, grant funding, and loan funds for students seeking college or a career and technical education.²

Increasing funding for FSA this fiscal year is particularly critical given that FSA's funding has been stagnant for the past three fiscal years, severely undermining FSA's ability to implement critical programs.³ These challenges have been worsened by the Trump Administration's illegal attack on the Department, including drastic cuts to its workforce and proposed outsourcing of ED responsibilities to other agencies.⁴ Despite these efforts to circumvent and undermine Congress' control of the purse, Congress has a

¹ U.S. Department of Education, "Fiscal Year 2025 Budget Summary," p. 68, <https://www2.ed.gov/about/overview/budget/budget25/summary/25summary.pdf>; Federal Student Aid, "Federal Student Loan Portfolio," <https://studentaid.gov/data-center/student/portfolio>.

² Federal Student Aid, "About Us," <https://studentaid.gov/about>.

³ The Century Foundation, "Stagnant Funding Has Broken the Office of Federal Student Aid and Failed Students," Tiara Moultrie, March 22, 2024, <https://tcf.org/content/commentary/stagnant-funding-has-broken-the-office-of-federal-student-aid-failed-students/>.

⁴ The Washington Post, "Education Department, with mass layoffs, cuts nearly half its staff," Laura Meckler and Danielle Douglas-Gabriel, March 22, 2025, <https://www.washingtonpost.com/education/2025/03/11/education-department-employees-layoffs-trump/>; Reuters, "Trump says Education Dept. to transfer student loan, nutrition programs to other agencies, Trevor Hunnicutt and Jeff Mason, March 21, 2025, <https://www.reuters.com/world/us/trump-says-small-business-administration-will-handle-federal-student-loan-2025-03-21/>.

responsibility to pass laws and appropriate funding to support agencies that help the American people.

FSA is responsible for managing the Free Application for Federal Student Aid (FAFSA). The agency processes over 17 million FAFSA forms each year to help students achieve the American Dream.⁵ While FSA made improvements to FAFSA for the 2025-2026 school year, it is vital that FSA have the necessary staff and funding to ensure that students and families experience a smooth and stress-free process while applying for financial aid.

Additionally, FSA has been charged with overseeing the return to repayment for student loan borrowers whose payments were paused during the pandemic, an unprecedented undertaking which has been made more difficult due to a lack of funding and staff shortages.⁶ Delinquency rates have soared in the aftermath of the pandemic, with 1 in 5 student borrowers being reported as 90 days delinquent on their student loans.⁷ It is critical that FSA have sufficient resources to support these borrowers and ensure that they have the tools they need to reenter repayment.

FSA has also worked to implement a series of necessary reforms to fix aspects of the student loan system that have failed borrowers. These reforms include making long overdue improvements to the Public Service Loan Forgiveness (PSLF) program, including the transition of PSLF to FSA under the unified servicing system; increasing accountability efforts for student loan servicers; and processing debt relief applications for defrauded borrowers and borrowers with a total and permanent disability.⁸

In sum, FSA's responsibilities have increased to protect students and borrowers, but its federal funding has remained stagnant. The lack of adequate resources creates more barriers for students to start and continue their education. We believe this funding request is required to provide FSA with the resources it needs to fulfill its goal of ensuring that all eligible students and families can access federal student grants, loans, and work-study

⁵ Federal Student Aid, "About Us," <https://studentaid.gov/about>.

⁶ Inside Higher Ed, "'The Last Straw' for Weary Financial Aid Officers," Liam Knox, May 31, 2024, <https://www.insidehighered.com/news/workplace/staff-issues/2024/05/31/financial-aid-officers-are-burnt-out-after-fafsa-fiasco>.

⁷ Washington Post, "Delinquency rates soar as borrowers slow to repay student loans", Danielle Douglas-Gabriel, March 7, 2025, <https://www.washingtonpost.com/education/2025/03/07/student-loan-delinquency-rates-double/>.

⁸ National Association of Student Financial Aid Administrators, "ED Announces New Steps to Fix 'Administrative Failures' in Student Loan Programs, Provide Further Forgiveness," Owen Daugherty, April 19, 2022, https://www.nasfaa.org/news-item/27195/ED_Announces_New_Steps_to_Fix_Administrative_Failures_in_Student_Loan_Programs_Provide_Further_Forgiveness.

funds to pursue education and training beyond high school. Thank you for your time and consideration of this request and your continued support in the strengthening of FSA.

Sincerely,



Elizabeth Warren
United States Senator



Tina Smith
United States Senator



Mazie K. Hirono
United States Senator



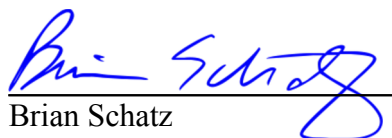
Kirsten Gillibrand
United States Senator



John Hickenlooper
United States Senator



Peter Welch
United States Senator



Brian Schatz
United States Senator



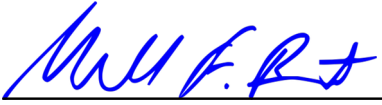
Mark R. Warner
United States Senator



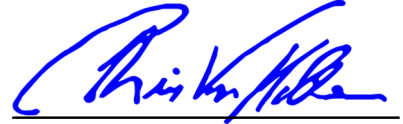
Richard Blumenthal
United States Senator



Andy Kim
United States Senator



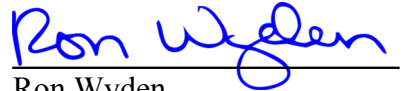
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Chris Van Hollen
United States Senator



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United States Senator



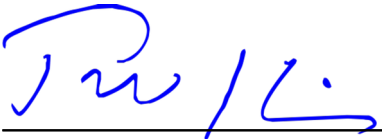
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United States Senator



Tammy Duckworth
United States Senator



Amy Klobuchar
United States Senator



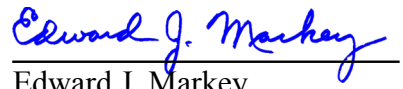
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Cory A. Booker
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Lisa Blunt Rochester
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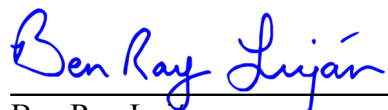
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Bernard Sanders
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Maria Cantwell
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