

United States Senate

WASHINGTON, DC 20510

May 7, 2024

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

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

Dear Chair Baldwin and Ranking Member Capito,

As the subcommittee considers the Fiscal Year 2025 Labor, Health and Human Services, Education, and Related Agencies appropriations bill, we request you provide \$2.7 billion – consistent with the President’s budget – to fund the Office of Federal Student Aid (FSA) within the Department of Education.¹

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.² 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.³ Fully funding the President’s request for FSA this fiscal year – a \$625 million increase from the FY 2023 levels⁴ – is particularly critical given that FSA’s FY 2023 and FY 2024 funding was stagnant compared to previous years, severely undermining FSA’s ability to implement critical programs.

FSA is tasked with currently making major improvements to student financial aid services, including an overhaul of the Free Application for Federal Student Aid (FAFSA) as Congressionally-required through the *Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act)* and the *FAFSA Simplification Act*.⁵ Combined, these two bills will expand access to federal aid and address longstanding concerns over the complexity of the application process, assuming Congress appropriates sufficient funds to FSA to complete the

¹ The White House, “Budget of the U.S. Government FISCAL YEAR 2025,” report, p. 71, https://www.whitehouse.gov/wp-content/uploads/2024/03/budget_fy2025.pdf; U.S. Department of Education, “Fiscal Year 2025 Budget Summary,” p. 69, <https://www2.ed.gov/about/overview/budget/budget25/summary/25summary.pdf>.

² 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>.

³ Federal Student Aid, “About Us,” <https://studentaid.gov/about>.

⁴ The White House, “Budget of the U.S. Government FISCAL YEAR 2025,” report, p. 71, https://www.whitehouse.gov/wp-content/uploads/2024/03/budget_fy2025.pdf.

⁵ Federal Student Aid, “What is the FAFSA Simplification Act,” <https://studentaid.gov/help-center/answers/article/fafsa-simplification-act>; FUTURE Act, H.R. 5363, <https://www.congress.gov/bill/116th-congress/house-bill/5363>.

overhaul.⁶ The student aid application and award process have been widely critiqued for their length, complexity, and lack of transparency for students and their families.⁷ However, implementation has been plagued by delays and glitches in processing.⁸ Additional resources are necessary to fix the problems and ensure that these laws are fully implemented, making federal student aid more accessible for more than 17 million students.⁹

At the same time, FSA is charged with overseeing the return to repayment for student loan borrowers whose payments were paused during the pandemic – an unprecedented undertaking.¹⁰ It is critical that FSA have sufficient resources to reach these borrowers and ensure that they enroll in a repayment plan that meets their needs and do not fall into delinquency or default.

Further, FSA is working 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; processing debt relief applications for defrauded borrowers and borrowers with a total and permanent disability; enrolling borrowers into the new and transformative income-driven repayment plan, the Saving on a Valuable Education plan, that could cut borrowers' monthly payments in half; and developing and implementing President Biden's plans to provide student debt relief.¹¹

⁶ Federal Student Aid, "What is the FAFSA Simplification Act," <https://studentaid.gov/help-center/answers/article/fafsa-simplification-act>.

⁷ The Heichinger Report, "One surprising barrier to college success: Dense higher education lingo," Andy Johnston, June 14, 2019, <https://heichingerreport.org/one-surprising-barrier-to-success-in-college-understanding-higher-education-lingo/>.

⁸ The Washington Post, "There's a lot happening with the FAFSA. Here's what to know now." Danielle Douglas-Gabriel, April 13, 2024, <https://www.washingtonpost.com/education/2024/04/13/what-to-know-about-fafsa-changes/>.

⁹ Federal Student Aid, "FAFSA Simplification: A Better FAFSA Process Means a Better Future for Borrowers," <https://financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=better-fafsa-better-future>; NPR, "A new FAFSA setback means many college financial aid offers won't come until April," Cory Turner, January 31, 2024, <https://www.npr.org/2024/01/31/1228082594/fafsa-student-financial-aid-delay>; FUTURE Act, H.R. 5363, <https://www.congress.gov/bill/116th-congress/house-bill/5363>.

¹⁰ NPR, "Education Department punishes student loan servicer for billing mistakes," Cory Turner, October 31, 2023, <https://www.npr.org/2023/10/31/1209464901/education-department-punishes-student-loan-servicer-billing-mistakes-mohela>.

¹¹ U.S. Department of Education, "Department of Education Announces Actions to Fix Longstanding Failures in the Student Loan Programs," press release, April 19, 2022, <https://www.ed.gov/news/press-releases/department-education-announces-actions-fix-longstanding-failures-student-loan-programs>; U.S. Department of Education, "Biden-Harris Administration Approves Additional \$5.8 Billion in Student Debt Relief for 78,000 Public Service Workers," press release, March 21, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-approves-additional-58-billion-student-debt-relief-78000-public-service-workers>; U.S. Department of Education, "Negotiated Rulemaking for Higher Education 2023-2024," <https://www2.ed.gov/policy/highered/reg/hearulemaking/2023/index.html>; U.S. Department of Education, "Biden-Harris Administration Approves \$1.2 Billion in Loan Forgiveness for Over 150,000 SAVE Plan Borrowers," press release, February 21, 2024, <https://www.ed.gov/news/press-releases/biden-harris-administration-approves-12-billion-loan-forgiveness-over-150000-save-plan-borrowers>; U.S. Department of Education, "Biden-Harris Administration Announces Framework for Student Loan Servicer Accountability To Protect Borrowers Nationwide," press release, November 9, 2023, <https://www.ed.gov/news/press-releases/biden-harris-administration-announces-framework-student-loan-servicer-accountability-protect-borrowers-nationwide>.

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 needed 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 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



Cory A. Booker
United States Senator



Robert P. Casey, Jr.
United States Senator



Alex Padilla
United States Senator



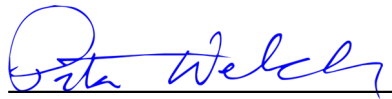
Richard Blumenthal
United States Senator



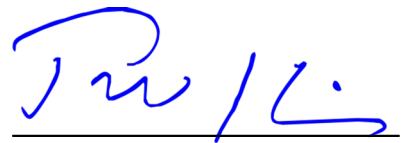
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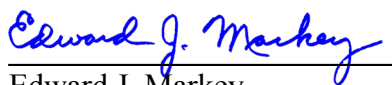
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Sheldon Whitehouse
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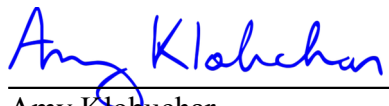
Chris Van Hollen
United States Senator



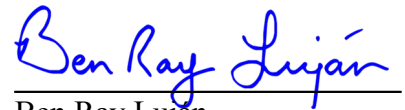
Edward J. Markey
United States Senator



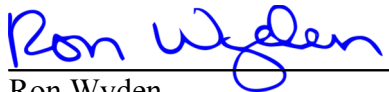
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Ben Ray Lujan
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Ron Wyden
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John Hickenlooper
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