CENTER *for* POSTSECONDARY *and* ECONOMIC SUCCESS *at* CLASP

Bolstering Non-Traditional Student Success:

A Comprehensive Student Aid System Using Financial Aid, Public Benefits, and Refundable Tax Credits

DECEMBER 2015 | BY AMY ELLEN DUKE-BENFIELD, CLASP

Introduction

Postsecondary credentials are a good investment for individuals, families, and communities. Better-educated workers earn higher wages and are more likely to be employed. Higher education levels also correlate with favorable social returns such as better health and higher rates of civic participation.

One of the principal barriers to more students pursuing and completing college is the lack of sufficient financial aid and family income. Over the last three decades, college tuition and fees have increased nearly four times faster than median income[i] and four-and-a-half times faster than inflation.[ii] The rapid increase in college prices, along with student aid funding that has not kept up, has resulted in sizable unmet need, which is the gap between college costs and what students can afford to pay on their own or with aid that does not need to be repaid. Unmet financial need among low-income college students is a barrier to persistence and completion and challenges our national credential attainment goals.

Although community college tuition and fees are relatively low, these costs are only a small portion of the overall cost of attendance for students. In 2015-16, a year at a community college was estimated by the College Board to cost $16,833, including tuition, fees, and living costs.[iii] For students without parental support, many of whom are supporting families of their own, the real cost is even higher, given that housing, food, and child care costs add to the total. Financial aid, including loans, can help cover these costs, but low-income community college students do not receive sufficient grant aid to meet them and nor should they be expected to take out large loans. Over 90 percent of independent full-time community college students with incomes in the bottom three income quartiles (≤$28,356) had unmet need in 2011-2012. For the lowest-income students, the gap averaged $7,734 annually. Part-time independent students in the lowest quartile had an average unmet need of $3,559.[iv] Significant percentages of very low-income *dependent* students also had unmet need. And unmet need is markedly higher for students of color than their white counterparts. White students averaged $3,516 in unmet need, while Black students averaged $5,054, and Hispanic students averaged $4,214. High levels of unmet need have forced students— particularly low-income students—to borrow more, work more hours, take fewer courses, or in some cases, drop out altogether.

Though students fail to complete postsecondary programs for a variety of reasons, financial pressures are one of the largest factors. A 2009 survey of young adults (ages 22-30) who had left college confirms this phenomenon: 71 percent of students said one reason for leaving was because they had to "go to work and make money;" 54 percent listed this as a "major reason."[v] These numbers are striking, but may not even reflect the magnitude of the financial challenges facing students. It is difficult to come up with accurate estimates since many students who cite having academic challenges frequently have financial difficulties as well. When students are struggling with finances, they have little time to study or ability to concentrate. Among young community college students, 66 percent work more than 20 hours per week to help pay for school and their home and family obligations, and 58 percent attend college part-time to accommodate work. Research shows that both working more than 20 hours a week and attending part-time to accommodate work can negatively impact college completion.[vi]

While college costs continue to outpace the income and financial aid students have to cover the cost of attendance, the demographics of college students—particularly at community colleges—are changing, as well. More than a quarter of community college students (27 percent) are parents[vii] and 17.5 percent are single parents.[viii] Half of community college students are 24 years of age or older; about one third are 30 or older. Nearly 60 percent of community college students are financially independent of their parents; 41 percent of these students have incomes less than $20,000.[ix] Most students work, either part-time or full-time, while enrolled in school in order to cover their basic family needs like housing, transportation, child care, and food.

There is a growing public understanding that student aid alone isn't enough to help students fund their postsecondary aspirations because some are unable to meet their basic human needs with existing supports. A recent Wisconsin HOPE Lab survey of over 4,000 students at ten community colleges across the country found that half of all students are facing food and/or housing insecurity. Even more disturbing is that 20 percent are hungry and 13 percent are homeless.[x] Students of color are harder hit than their white classmates, with 31 percent of African-American and 23 percent of Latino students responding that they faced high levels of food insecurity, compared to 19 percent of non-Hispanic white students.[xi] A growing policy dialogue has emphasized providing a more comprehensive set of financial supports as a means of persisting in and completing college. If more low-income students, particularly those who are non-traditional, are to complete postsecondary education and training,it will be necessary to provide adequate financial aid that not only covers tuition and books, but also living expenses including housing, food, and health insurance.

Public, means-tested benefits, such as Food Stamps and child care assistance, can help low-income students make ends meet while in school, and some students have sought out such supports, but the Wisconsin HOPE Lab survey shows the need far outpaces student receipt. Among the 29 percent of surveyed students who had low or very low levels of food insecurity, 20 percent receive benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly called Food Stamps). And 11 percent of students identifying themselves as food secure are already relying on SNAP to help meet their needs.[xii] These programs can reduce unmet need by supplementing the patchwork resources students currently use, increase the financial stability of adults and youth, and help them care for their families. These supports have the potential to help reduce financial hardship, as well as work hours while enrolled. They can serve as a complement to, but not replace, existing funding streams that pay for student tuition, fees, books, and living expenses.

As more students turn to public benefits and other supports, such as refundable tax credits, to weave together the financial means necessary to attend and complete college, it is important that we better understand how low-income college students can combine these benefits with traditional financial aid to bridge their unmet need. Like financial aid programs, public benefits programs feature their own complex rules, some of which serve as a disincentive to low-income individuals attending college and others influence whether a student attends part- or full-time, decisions that can determine how fast a student completes and attains family-supporting employment. As our state and federal leaders have laid forth ambitious plans for increasing the number of credentials adults attain, they also need to examine whether public benefit policies are supporting these goals for a higher-skilled workforce and how policies that do not can be strengthened to do so.

In this paper, we describe the main public benefit and refundable tax credit programs low-income college students are most likely to be eligible for and their interactions with federal- and state-funded financial aid, including Pell Grants and work-study.

Summary of Programs

The following programs are included in this analysis:

- **Federal financial aid:**
    - **Pell Grants** are federal grant aid for low-income undergraduate students. The level of grant depends on the student's amount of financial need, as measured by the federal financial aid formula (the Federal Methodology or FM), full-time or part-time attendance, and other factors.
    - **Federal Supplemental Educational Opportunity Grants (FSEOG)** are federal grants for students with exceptional financial need. The FSEOG program is administered directly by the financial aid office at each participating school.
    - **Federal Work-Study (FWS)** is a federal student aid program that provides part-time employment for students with financial need.
    - **Direct Federal Unsubsidized and Subsidized loans** are made to eligible undergraduate and graduate students who demonstrate financial need to help cover college costs.

- **State financial aid** includes state-funded need-based and merit-based grant aid and work-study that is available to students attending college. The award levels and eligibility rules vary by state, and some states lack state-level work-study programs. Many state aid programs use the Federal Methodology to award aid.

- **Public benefits:**
    - **Supplemental Nutrition Assistance Program (SNAP)**, formerly known as Food Stamps, is a means-tested program that provides a monthly benefit that can only be used to purchase groceries. Households with net incomes below the federal poverty level, after taking into account work expenses and other deductions, are eligible. The maximum monthly benefit amount for a single individual is $194.[xiii] SNAP benefits are fully federally funded, and the federal government sets the benefit levels and eligibility rules, although applications and eligibility determinations are conducted by the states. Special rules limit the availability of SNAP benefits for college students unless they are working, caring for children, or qualify for another exemption.
    - **Temporary Assistance for Needy Families (TANF)** is a federally funded block grant that states use to provide cash assistance and a range of other programs and services for low-income families with children. A limited number of states use TANF monies to fund work-study positions. Cash assistance eligibility rules vary by state, but are typically very stringent. In order to qualify for cash assistance, individuals must have very low incomes, have dependent children, and demonstrate that they are working or in work-related activities or qualify for an exemption. States control whether attending school can count as a work-related activity. The amount provided by cash assistance is less than half the federal poverty level in all states.

- **Child care subsidies** help low-income parents afford the child care they need to go to work or to school. The primarily federal funding stream for child care is the Child Care and Development Block Grant (CCDBG), but many states also use funding from the Social Services Block Grant (SSBG) and the TANF block grant. Eligibility levels are set by states, but federal funding is so limited that only roughly one in seven eligible children receive subsidies nationwide. Subsidies may be paid directly to child care providers or through reimbursements to parents.
- **Subsidized health insurance**
  - **Medicaid** is a joint program between the federal government and states that provides health care to low-income individuals and families. Eligibility and exact medical benefits vary across states, with some states offering more robust health care access than others. There are multiple eligibility categories for Medicaid, including low-income seniors, persons with disabilities, pregnant women, and general income eligibility. One intent of the Affordable Care Act (ACA) was to create a uniform minimum income eligibility standard of 138 percent of the Federal Poverty Level (FPL) for Medicaid across all states. However, the 2012 Supreme Court ruling on the ACA gave states the option of whether or not to expand their Medicaid eligibility to 138 percent. [xiv] In the states without Medicaid expansion, income eligibility ranges from zero eligibility for adults with no dependent children to 148 percent of FPL for parents with dependent children. In the majority of non-expansion states, there is no Medicaid eligibility for adults without dependent children and an eligibility limit below 67 percent of FPL for adults with dependent children.[xv] Eligibility for children is consistently higher than that for adults.
  - **Children's Health Insurance Program (CHIP, also called SCHIP)** provides health insurance to children in low- and moderate-income families. Eligibility levels vary by state, but are generally higher than under Medicaid.
  - **Advance Premium Tax Credits (APTC)** are subsidies provided through the tax system to individuals and families who enroll in health insurance through the Affordable Care Act Marketplace (federal or state-based). While exact eligibility requirements can be complicated, people generally qualify for APTCs if their household income is between 100 percent and 400 percent of FPL and they do not have another source of affordable health insurance, such as through an employer or Medicaid.
- **Rental housing assistance:**
  - The Housing Choice Voucher program, or Section 8, provides vouchers to subsidize rent in private apartments and dwellings.
  - Public housing is available to eligible low-income individuals and families through local Public Housing Authorities (PHA). Each PHA has the discretion to establish preferences to reflect needs in its own community. Overall, rental assistance programs only reach about one in four low-income rental households.[xvi]
- **Unemployment Insurance (UI)** provides unemployment benefits to eligible workers who become unemployed through no fault of their own, are available for and seeking work, and meet certain other state-level eligibility requirements. UI benefits are not means tested, but are based on workers' employment history. Eligibility for unemployment insurance, benefit amounts, and the length of time benefits are available are determined at the state level.

- **Refundable Tax Credits**: Increasingly social policy is implemented through the tax code. Of particular relevance for students are three credits that are "refundable," meaning that taxpayers can benefit from them even if they do not have federal income tax liability.[xvii]
    - **The American Opportunity Tax Credit (AOTC) is** a partially refundable tax credit for tuition and fees (although not living expenses) related to the first four years of postsecondary education. The credit is worth 100 percent of the first $2,000 spent and 25 percent of the next $2,000 per student each year, and 40 percent of the credit is refundable. Thus, a student with $4,000 or more in qualifying expenses could receive a maximum credit of $2,500, of which $1,000 would be refundable, meaning that a student could receive it even if he did not have federal income tax liability.
    - **The Earned Income Tax Credit (EITC)** is a refundable tax credit for low-income workers, based on earned income levels and family size. Families with one child could receive up to $3,359 in 2015, and families with more children receive larger credits. Workers without children can receive a smaller credit if they are between 25 and 65. Eligibility for the EITC phases out at moderate income levels (between about $17,000 and $53,000, depending on the number of children in the household).[xviii]
    - **Child Tax Credit (CTC)** is a partially refundable tax credit that may be worth as much as $1,000 per qualifying child. The refundability phases in at earnings of $3,000, so that low-income workers may only qualify for a partial credit. The credit phases out at an income of $110,000 for married taxpayers filing a joint return, and $75,000 for single taxpayers.

The administration of financial aid and public benefits programs does not rest with one level of government. It varies across federal, state, and local levels, which adds complexity to the interactions among these policies. It also means that any efforts to align these policies will require actions at all three levels and across various governmental agencies at each level. This is illustrated in "Distribution of Decision Making for Financial Aid and Public Benefit Programs" which shows that the decision makers for particular programs are located across the federal, state, and local/institutional spectrum and provides examples of how this variance plays out across the spectrum. For instance, at the federal level, the Departments of Education (ED), Labor (USDOL), Health and Human Services (HHS), and Agriculture (USDA) are responsible for the administration of the public benefits and financial aid programs discussed in this analysis. But the degree to which administration solely rests with the federal government varies. For example, the table shows that decision making for Pell Grants programs occurs only by the federal government, while decision making for FSEOG eligibility and aid levels is divided between the federal and institutional levels. Split decision making among levels is common across a range of programs, including the main public benefits programs with the degree of power varying. SNAP policies are shaped at the federal level to a much higher degree than TANF policies, as federal TANF funds are provided to states via a block grant.

DISTRIBUTION OF DECISION MAKING FOR FINANCIAL AID, PUBLIC BENEFIT PROGRAMS AND TAX CREDITS

	Federal Level	State Level	Local or Institutional Level
Student Aid			
Pell Grants	**Full**		
SEOG	**Majority**		**Partial**
Federal Work Study	**Majority**		**Partial**
Stafford Loans	**Full**		
State Grant Aid		**Majority**	**Partial**
State Work Study		**Majority**	**Partial**
Institutional Aid/Work Study			**Full**
Public Benefits			
SNAP	**Majority**	**Partial**	
TANF	**Partial**	**Majority**	
Child Care	**Partial**	**Majority**	
Medicaid	**Partial**	**Partial**	
CHIP	**Partial**	**Majority**	
Advance Premium Tax Credit	**Full**		
Housing Subsidies	**Majority**		**Partial**
UI		**Full**	
Tax Credits			
AOTC	**Full**		
EITC	**Full**		
CTC	**Full**		

Institutional financial aid offices have authority to allocate limited funding among eligible students

Examples of state discretion: states approve programs that increase employability; state can average work hours across a month

States have flexibility in whether postsecondary is an eligible expense

For the most part, TANF is a block grant to states; however, there are federal limitations such as the type and length of education that will count toward federal work requirements

Public Housing Authorities have some discretion regarding who is eligible for housing

Research Findings

Are college students eligible for public benefits?

Before turning to how federal financial aid and public benefits policies interact, it is essential to understand the implications of college attendance on eligibility for public benefits programs. Many states tie eligibility for state-administered programs for those pursuing postsecondary attendance to part- or full-time employment, despite what research shows about part-time attendance leading to lower completion. These programs include TANF, SNAP, and child care. The federal rules for the TANF block grant limit standalone education and training to 12 months, with some states opting for even shorter limits and a handful allowing more. Once a student hits the time limit, he or she usually needs to combine education and training with work in order to maintain eligibility. SNAP has a complex set of rules meant to prevent the average full-time college student, who may seem low-income due to low earnings while enrolled, from receiving benefits. The program has established a set of exceptions that allow particular low-income students enrolled more than half time to qualify, including those with young children or enrolled in an occupationally oriented program. And states have a high degree of flexibility to determine whether postsecondary attendance is an allowable use of child care subsidies. The details of these policies are discussed later in the paper.

Treatment of public benefits in calculating federal student aid

Student aid programs included in Title IV of the federal Higher Education Act use the Federal Methodology in determining eligibility for student financial aid and award levels. Most public benefits are not counted as income for the purposes of calculating students' "expected family contribution" (EFC), which in turn determines the amount of federal financial aid for which students are eligible. The exception is UI benefits, which typically count as income because they are included as income on a student's taxes, but can be disregarded at the discretion of financial aid administrators. ED reminded college financial aid administrators of this option to disregard UI benefits in determining financial aid in 2009, as a response to the Great Recession. Specific public benefits are treated in the following ways:

- Explicitly not considered in determining size of financial aid package: SNAP, TANF, child care subsidies, rent subsidies, EITC, AOTC, and the Child Tax Credit.
- Not explicitly mentioned, so not considered in determining size of aid package: Medicaid, CHIP, and APTC.
- Count as income: UI benefits are treated as income because they are included in the adjusted gross income on the student's or parents' income tax return. But, institutions' financial aid administrators have the option to allow students receiving UI benefits to claim zero income.[xix]

Treatment of federal student aid in calculating public benefits eligibility and amounts

Federal financial aid is largely not treated as income in determining eligibility for public benefit programs or benefit levels. Title IV of the Higher Education Act (HEA) states that all federal student financial aid <u>should not be taken into account</u> in determining need or eligibility of any person for any benefits or assistance under any federal, state, or local program financed in whole or in part with federal funds.[xx] Therefore, receipt of federal financial aid should not decrease the level of public benefits a low-income individual receives. While federal grant aid, including Pell Grants and FSEOG, applied to tuition and fees (or direct educational expenses) are never considered income, several programs count as income any assistance that goes toward living expenses (or what is sometimes called indirect educational expenses). Three examples are SNAP, Medicaid, and housing subsidies.

The Farm Bill, the legislation that authorizes SNAP, draws a distinction between financial aid used for direct educational expenses—like tuition—and financial aid used for room and board, and the regulations appear to specify that federal financial aid for living expenses is countable as "income".[xxi] The notion behind this policy is that if a student has financial aid (income) available for living expenses, that aid should cover food and reduce the student's need for SNAP.

Also, under the Affordable Care Act, changes were made to how states compute income eligibility for Medicaid. States are required to use the Internal Revenue Service's Modified Adjusted Gross Income (MAGI) definition in determining income eligibility, which means that taxable student aid (aid beyond that going toward direct educational expenses) is counted as income for Medicaid and the Advance Premium Tax Credits.

Low-income housing assistance treats student aid differently, depending upon the program. For instance Section 8 housing, like SNAP, differentiates between financial aid used for direct educational expenses, including tuition and required fees, and indirect educational costs, such as living expenses.

How is student aid treated by refundable tax credits?

Financial aid, when it is taxable income, can affect eligibility for the CTC and EITC. The interaction between the programs is complicated, because eligibility for the tax credits is based upon multiple factors — including family status, earned income, taxable income, and qualified educational expenses — and receipt of financial aid can have contradictory effects on different factors. Eligibility for both the EITC and CTC depends upon earned income. Wages from work-study jobs are earned income; grants and loans are not. Unearned taxable income does not qualify a worker for the EITC or CTC, but can *disqualify* one. Fellowships and scholarships, including Pell Grants and other need-based grants, may be taxable or not, depending on whether the student is a candidate for a degree and the purposes for which the funds are used (direct educational expenses versus indirect educational expenses). Fellowships and scholarships received by students who are candidates for a degree are not counted as taxable income as long as they are used for tuition, fees, books, supplies, and equipment. They are taxable income when used for room and board, or when a student is not seeking a degree. Student loans are never treated as taxable income. However, they may affect the determination of whether students who are aged 19-24 can be claimed as tax dependents by their parents, which in turn has implications for tax credit eligibility.

PUBLIC BENEFIT RECEIPT CAN LEAD TO A SIMPLIFIED FINANCIAL AID APPLICATION PROCESS

Receipt of public benefits can simplify access to federal financial aid. Student aid applicants are eligible for the Simplified Needs Test if their family's adjusted gross income is below $50,000 and anyone in the parents' or student's household received benefits in the prior two years from SNAP; TANF; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Free and Reduced School Lunch program; or Supplemental Security Income (SSI). The Simplified Needs Test allows an applicant to bypass asset and resource tests. In addition, a student applying for federal aid is eligible for an automatic zero Expected Family Contribution if income is less than $23,000 and she or her family received any of the five benefits in the prior two years. [xxi]

Supplemental Nutrition Assistance Program

Are students eligible?

The Supplemental Nutrition Assistance Program (SNAP) rules explicitly exclude any students enrolled at least half time in college from receiving benefits, which has led many to mistakenly assert that college students simply are not eligible for benefits. But there are a number of exceptions that would apply to many low-income students, assuming they meet the income and asset criteria and one of the following criteria:

- under the age of 18 or older than 50;
- working for pay at least 20 hours per week;
- receiving any Federal or State Work-Study;
- caring for a child under age 6;
- single parent caring for a child age 6-11 and enrolled full time or unable to obtain child care;
- receiving TANF benefits;
- unable to work because of a disability; or

- attending college as part of a Workforce Innovation and Opportunity Act (WIOA), Trade Adjustment Assistance (TAA), SNAP Employment and Training (SNAP E&T) or other state or locally funded training program, or equivalent.[xxiii]

The 2014 Farm Bill limits state flexibility on the types of SNAP E&T programs under which a SNAP recipient may qualify for an exception. Specifically, it says that such a program must be part of a program of career and technical education (as defined under the Perkins Act) that may be completed in not more than four years.[xxiv] Although the student rule hasn't been published yet, the intent of the law is to limit these programs to those that are employment focused. The law also allows exceptions for SNAP E&T students enrolled in remedial courses, adult basic education, literacy, or English as a second language. CLASP is not aware of any state that currently allows non-career oriented enrollment in an institution of higher education, or post-baccalaureate education, to count as a SNAP E&T activity.[xxv]

SNAP also imposes time limits for individuals who are considered Able Bodied Adults without Dependents (ABAWDs). These time limits apply to SNAP recipients ages 18 through 49 who do not live in households with children, are not pregnant, and who do not have a mental or physical disability that would prevent them from working. Individuals subject to the time limits may only access SNAP benefits for a total of 3 months in any 36 month period unless they are employed or are participating in a qualified work or training program for at least 20 hours a week, or are participating in workfare for the required number of hours.[xxvi] Unpaid or volunteer work also counts for the purpose of meeting the qualified work or training activity.[xxvii] Students enrolled at least half time are exempt from SNAP work requirements and are not subject to the three-month time limit. However, students attending less than half-time and those in adult education programs that are not counted as part of SNAP E&T components and are not funded through federal WIOA funds may be subject to the time limit.[xxviii]

How does SNAP treat financial aid?

Financial aid, including deferred payment loans and Federal and State Work-Study earnings, is not counted as income *as long as it is used to pay for educational expenses, including tuition, books, and fees*. SNAP statute calls for financial aid *used for living expenses* to be counted in determining the size of the SNAP benefit. The federal regulations do not appear to make an exception for federal educational assistance, which would be inconsistent with the HEA provision that student aid should not count. During the next rulemaking opportunity under SNAP, the USDA's Food and Nutrition Service (FNS), which administers SNAP, should align it with the HEA provision. Since TANF income is typically counted in determining eligibility and benefit levels under SNAP, states can count TANF-funded work-study earnings in the SNAP eligibility calculation.

State and federal policy recommendations:

- In order to improve student access to SNAP, simplify paperwork, and reduce churning on and off the rolls due to work schedule variation, states should request waivers from FNS to average hours of work across a month in determining whether a working student qualifies for an exemption from the student exclusion from SNAP. Many states have received such waivers to determine whether students are working the 20 hours per week that qualifies them for an exemption from the student ban. This is a clear best practice, as it both expands access and simplifies program administration. FNS has issued proposed rules that would make this a state option without requiring a waiver.[xxix]

- States have more flexibility than has generally been recognized to deem career-oriented postsecondary programs as equivalent to SNAP E&T programs and therefore allowable under the student exclusions. A promising model exists in Massachusetts where the SNAP agency has determined that all community college programs that qualify for funding under the Perkins Career and Technical Education Improvement Act can be counted as their education is designed to improve employability. Such a practice promotes employment-focused education while removing a barrier to low-income students receiving SNAP. And this expands student eligibility for SNAP benefits significantly, without putting SNAP caseworkers in the position of having to make individual assessments of educational programs. CLASP is not aware of any other state that has adopted a similar policy, and suggests that this is a highly promising practice for replication.

- States should, to the extent possible, exclude state-funded work-study as income for SNAP. When it is counted, states should make sure to apply all appropriate exclusions. For instance, since this is a form of earned income, some states exclude 20 percent of earnings to cover work-related expenses.

- States should use their discretion to exclude all financial aid—federal, state, and institutional—as income from means-tested benefits where states have the discretion to define what is counted as income. It is not clear that all states understand their options to exclude state-funded work-study, either by blending it with Federal Work-Study funds, or by using the option to align SNAP income definitions to TANF.

- USDA's FNS should examine whether it has the authority to grant waivers allowing TANF-funded work-study to be excluded as income under SNAP, or whether a state could exclude such work-study by blending TANF with Federal Work-Study funds. This change would align policies, expand low-income student access to SNAP, simplify program administration, and reduce the likelihood of error by not forcing SNAP agencies to distinguish between federal- and state-funded work-study and TANF-funded work-study.

- The U.S. Department of Education should encourage institutions to inform all students who are eligible for or receiving Federal Work-Study funds of their potential eligibility for SNAP.

Temporary Assistance for Needy Families

Are students eligible?

As part of the Temporary Assistance for Needy Families federal block grant requirements, states are required to meet a work participation rate target for families receiving TANF assistance and are subject to fiscal penalty if they fail to do so. Education and training activities can only be counted toward this rate to a limited extent. In general, the U.S. Department of Health and Human Services allows postsecondary education to be counted toward the rate as a standalone activity for only 12 months, and then it must be combined with another activity for 20 hours per week such as employment or community service. Ultimately, states set the rules regarding whether students receiving TANF cash assistance can meet their work requirements through postsecondary education and training. States may allow recipients to participate in non-countable activities if they can meet the rate in other ways, but are also permitted to require recipients to participate in a more narrow set of work activities. In many cases, college does not count, or only counts when combined with 20 hours per week of employment. All hours of participation must be monitored and documented, which can be burdensome and stigmatizing. Even in states more supportive of education and training, there may be barriers for students seeking assistance.

How does the Federal Methodology treat TANF?

Earnings from TANF-funded work-study or subsidized employment programs may be counted as earnings in determining financial aid eligibility. In addition, TANF-funded scholarships are considered in the packaging of financial aid, and could potentially affect the amount of aid received from other programs; however, given limited funding, TANF funds are typically reserved for educational costs for people who are not eligible for Pell grants or who have remaining unmet need.

State and federal policy recommendations

- States should allow TANF recipients to meet their work participation requirements through postsecondary attendance. At a minimum, this should be allowable to the full extent that vocational education (as defined by the state) is countable toward the federal work participation rate.

- Preferably states should allow recipients to attend school even when not countable toward the federal TANF work participation rate. A good example is Nebraska, which allows up to 36 months of standalone education and training.[xxx] In recent years, the state has added adult basic education, GED classes, and English as Second Language classes as state-countable activities, recognizing that many TANF recipients may not be ready to take college classes.

- States should provide work-study jobs that allow students to work 20 hours per week in order to support postsecondary attendance past the 12-month limit, as the state of Kentucky does through its Ready to Work program.[xxxi]

- Education and training should be countable toward TANF's work participation rate, without arbitrary federal time limits or numerical caps. Congress should amend the federal statute to allow "vocational educational training" to count for at least 24 months, along with allowing adult education and English language services to count for at least six months so that students can transition into training.

Subsidized Health Insurance: Medicaid, CHIP, and Advance Premium Tax Credits

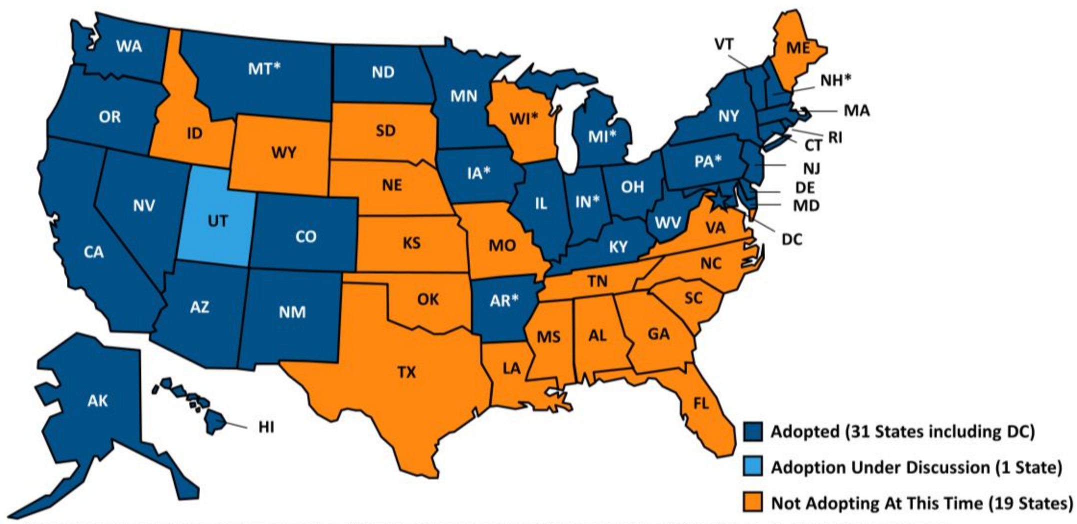
Are students eligible?

Under the ACA, student status does not directly impact eligibility for Medicaid, CHIP, or the Advance Premium Tax Credit (APTC). However, student status may affect whether a young adult can be claimed as a dependent for tax purposes, which determines whose income is counted and the size of the household for these programs.

Prior to the Affordable Care Act, unless college students were disabled, they were unlikely to be eligible for Medicaid because in nearly all states, childless low-income adults were not eligible for Medicaid, and parents who worked even part time often earned too much to qualify for Medicaid. Under the Affordable Care Act, about three-fifths of the states have expanded their Medicaid programs to cover all individuals with incomes up to 138 percent of the federal poverty level, which means more low-income college students became eligible for Medicaid. Even in non-expansion states, low-income students who are parents may have children who qualify for Medicaid or CHIP if their income falls below a certain level, which is set by the state.

Note: prior to the ACA, many private insurance plans provided coverage for children of policyholders who were attending college. The ACA requires plans to cover children of policy holders until age 26, regardless of their student status.

Current Status of State Medicaid Expansion Decisions (as of November 2, 2015)



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, IA, IN, MI, MT, NH and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it has transitioned coverage to a state plan amendment. Coverage under the MT waiver will be effective January 1, 2016. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated November 2, 2015. http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/

How does Medicaid treat financial aid?

The HEA statute prohibits federal Title IV funds from being counted as income in eligibility determinations for all benefit programs funded wholly or in part by federal funds, including Medicaid and CHIP. Under the Affordable Care Act, the U.S. Department of Health and Human Services is limiting state discretion in defining income for Medicaid. The use of Modified Adjusted Gross Income as the Medicaid income standard, and in determining the APTC, has meant Pell Grant funds going toward expenses beyond tuition, fees, and books are counted as income. It is too early to determine the implication of this change on students.

Federal policy recommendation:

- Congress should adopt a policy that Pell Grants (and other forms of financial aid) are not taxable even if they are applied to living expenses.
- Also the federal government should not count federal funding flowing through the HEA, including Pell Grants and FSEOG, regardless of whether going toward direct or indirect educational expenses, in determining need or eligibility for Medicaid.

BENEFITS ACCESS FOR COLLEGE COMPLETION

The Benefits Access for College Completion (BACC) initiative was a multi-year initiative designed to provide community college students with access to a full range of public benefits in order to reduce financial barriers to college completion. The goal of the initiative was for seven colleges to develop sustainable operational and funding strategies for integrating services into existing college operations to help eligible low-income students more easily access public benefits. The efforts of institutions ranged from providing students with accurate information about benefits to screening them for program eligibility, to assisting them to fill out applications and gather documentation in order to enroll.

CUYAHOGA COMMUNITY COLLEGE

Cuyahoga Community College (Tri-C) is a multi-campus college located in the Cleveland, Ohio region. The BACC initiative at Tri-C is known as "Project Go!". Tri-C partnered with the Ohio Benefit Bank (OBB), the Ohio Department of Job and Family Services (ODJFS), and the Cleveland Food Bank to provide assistance to students with the public benefit eligibility and application process. Students can apply for benefits with Tri-C staff assistance or on their own through the OBB's online tool, which includes prescreening, screening, and application assistance.

The college houses benefits access services in its Student Financial Aid & Scholarships (SFAS) department and uses Peer Financial Coaches, who are college work-study students, to provide information, screening, and application assistance for a range of public benefits to students through the OBB online tool. It frames public benefits as another form of financial aid. In order to reach potentially eligible students, Tri-C flags the records of students who fall within a targeted cohort of independent students with an EFC of $0-3,000 who answer "no" to whether they receive public benefits on the FAFSA. Students at Tri-C were already familiar with the red flag system as it provided information on outstanding requirements to finalize federal financial aid at the college. By placing a red flag on the targeted student's records during the enrollment/registration period, students are alerted to the possibility that they might qualify for public benefits and are required to contact the SFAS/Project GO! Benefits Access office for further assistance and support. The college also engages in outreach to the broader student body. Counselors, classroom faculty, and other staff provide referrals, too.

Once the student has completed a pre-screening survey that helps staff identify who may be eligible for benefits, the flag is cleared from her record. Peer Financial Coaches follow up and provide additional screening and application support for benefits access. The SFAS department holds benefits access workshops where students seeking assistance with benefits access can meet one on one with a Peer Financial Coach or receive general benefit information and application assistance in a computer lab. In order to ensure students follow through with their application, the college generates reports to follow up each interaction.

Child Care

Are students eligible?

The Child Care and Development Block Grant is the principal funding source of child care for low-income families. To qualify for child care assistance, parents must participate in a work or education activity or have a child in need of protective services. Under broad federal guidelines, states determine what activities qualify as work, education, or training, including minimum hour requirements and types of educational activities that warrant coverage. These determinations include whether postsecondary education and training is a standalone qualifying activity, as well as whether a minimum number of hours of the activity is required or whether families may be eligible for combinations of activities and what rules might apply.

For example, in some states, postsecondary education is not an allowable standalone activity for child care eligibility purposes; a student must also work 20 hours per week to be eligible, which can be challenging for full-time students. The availability of child care assistance is also limited for students because most states do not serve all eligible families.

How do child care programs treat financial aid?

The treatment of federal financial aid is not addressed in the CCDBG law. Therefore, states have a certain degree of flexibility in how they treat financial aid.

How does receipt of child care influence financial aid?

At the college level, the cost of attendance, on which a financial aid package is based, is comprised of several different components. The EFC reflects the number of children in a family (the student's income protection allowance is based on the number of children). If the financial aid administrator determines the student has child care needs, she can add a child care allowance to the cost of attendance for the student and recalculate the financial aid package to provide more federal and state financial aid to cover those child care expenses.

STATE CHILD CARE POLICIES FOR STUDENT PARENTS VARY

- Nineteen states require parents to participate in school and/or work-related activities for a minimum number of hours to be eligible for child care assistance.
- Eleven states require at least some parents in school to also work for a minimum number of hours to be eligible for child care assistance.
- Seventeen states limit the amount of time parents can receive child care assistance to attend school.
- Thirty-five states limit the degree or educational level for parents receiving child care assistance to attend school.
- Fourteen states require parents in school to make satisfactory progress to continue receiving child care assistance.

Source: National Women's Law Center. "Building Pathways, Creating Roadblocks: State Child Care Assistance Policies for Parents in School." May 2015

State and federal policy recommendations

- States should allow students in postsecondary education to receive child care subsidies to cover their studies and not require students to meet additional work requirements. This could be through their regular subsidy program, whether funded through CCDBG, TANF, or SSBG.

- States should consider allocating more money to support student parents, either through their main child care subsidy programs or through special programs like the Minnesota Postsecondary Child Care Grant, which provides child care funding for low-income students attending college. The Grant is open to low-income Minnesota residents who have a child 12 years or younger and are enrolled for at least six credits per term. It provides up to $2,800 for each eligible child and may cover up to 40 hours of child care per week.[xxxii]

- State CCDBG administrators should include students and colleges in the development of their new state plans in response to recent changes in the CCDBG law.

- The federal government should increase funding for CCDBG, particularly given that only one in seven eligible families is currently provided with child care assistance.

- The federal government should increase funding for the Child Care Access Means Parents in School (CCAMPIS) program, a competitive-grant program authorized through the Higher Education Act that provides funding to colleges to support on-campus child care centers.

Unemployment Insurance

Are students eligible?

Unemployed individuals must generally be looking and available for work in order to receive UI benefits, but states may make exceptions for individuals in “state approved training” that leads to employment. Federal law states that individuals receiving UI benefits may participate in education and training if it is approved by the state agency. State rules on what constitutes approved training vary widely. Many states interpret the “state approved training” provision extremely narrowly, restricting access to education and training for many workers. Some states only approve vocational or job-related training and exclude programs leading to degrees, while others allow for a broader range of educational activities. Every state authorizes Trade Adjustment Act training and most states automatically approve training provided under the Workforce Innovation and Opportunity Act. The USDOL also urged states to broaden the definition of approved training to include a range of community college and adult education/English as a second language (ESL) programs. Individuals who enter training that is not approved by the UI agency put their weekly benefits in jeopardy.

In 2009, during the height of the Great Recession, USDOL issued guidance that encourages states to notify UI beneficiaries of their potential eligibility for Pell Grants and student aid and help individuals apply for Pell Grants through one-stop centers.[xxxiii]

How does the Federal Methodology treat Unemployment Insurance benefits?

UI benefits, whether issued to the student or the student’s parents, are automatically treated as income in the FM as a function of being reported as income on a student’s or student’s family’s tax return. The Departments of Labor and Education issued guidance in 2009, near the beginning of the Great Recession, offering institutions the option of disregarding UI benefits. However, in discussions with financial aid administrators from three states, CLASP has learned that few administrators choose to use their discretion to remove UI benefits from family income in calculating student aid.

How does UI treat financial aid?

Pell Grants and financial aid are not considered as income for the purposes of calculating weekly UI benefits.

State and federal policy recommendations

- States should allow longer-term education and training to count as “state approved training” for the purposes of determining UI benefit eligibility. This policy would help ensure unemployed workers can pursue education and training that leads to higher paying, more stable employment.

- When a student or student’s parents reports UI benefits as income or an unemployment status on the FAFSA, the letter from ED’s Office of Federal Student Aid explaining the students’ Expected Family Contribution (EFC) should highlight the fact that aid administrators have the option to use professional judgment to reduce the EFC in cases of economic distress. Such a notice would increase the number of students who conclude they cannot afford college based on the projected EFC and understand that they can request an adjustment due to unemployment.

Refundable Tax Credits: Earned Income Tax Credit, Child Tax Credit, and the American Opportunity Tax Credit

Are students eligible?

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are primarily designed to encourage work and help families pay for the costs of raising children. College students who are parents can be eligible for these tax credits. The American Opportunity Tax Credit (AOTC) is specifically for college students and designed to reduce the cost of attending college.

How does the Federal Methodology treat these tax credits?

None of these refundable tax credits are treated as income for the purposes of determining the EFC for financial aid. If students save the money in bank accounts, they could possibly show up as assets that could affect the EFC. Federal law says that tax refunds (including refundable tax credits) received after December 31, 2012, must not be counted as resources for 12 months after receipt, but it does not appear that this provision is reflected in the FAFSA instructions. However, this may not affect many people, as low-income students will generally qualify for the simplified needs test, which does not take assets into consideration in determining the EFC, or for the automatic-zero EFC test.

How does receipt of these credits impact public benefit eligibility?

Tax credits are not counted as income under any federal program--or state or local program funded in whole or part from federal funds--and are not counted as resources for 12 months. Therefore, receipt of these refundable tax credits does not affect eligibility for TANF, SNAP, Medicaid, CHIP, or child care subsidies.

How does receipt of public benefits or financial aid impact tax credit eligibility?

Public benefit programs such as TANF, SNAP, health insurance, and child care subsidies are not taxable income and therefore do not affect eligibility for these tax credits. Receipt of financial aid can affect eligibility for these tax credits. The interaction between the programs is complicated, because eligibility for the tax credits is based upon multiple factors — including family status, earned income, taxable income, and qualified educational expenses — and receipt of financial aid can have contradictory effects on different factors.

- Receipt of financial aid does not directly affect family status. However, student status does affect whether young adults may be claimed as dependents by their parents, which in turn affects whether it is the student or the parent of the student who can claim the AOTC and whether the parents can claim their child as a dependent when calculating the EITC.
- Eligibility for both the EITC and CTC depends upon earned income. Wages from work-study jobs do qualify as earned income; grants and loans do not.

- Fellowships and scholarships, including Pell Grants and other need-based grants, may be taxable or not, depending on whether the student is a candidate for a degree and the purposes for which the funds are used. Fellowships and scholarships received by students who are candidates for a degree are not counted as taxable income as long as they are used for tuition, fees, books, supplies, and equipment. They are taxable income when used for room and board, or when a student is not seeking a degree. Work-study wages are taxable income, but loans are not. The latter is the case because the tax code does not treat loans—whether they are for a car, school, or personal loans—as taxable income.
- Eligibility for the AOTC depends on the student (or his parents) paying qualified educational expenses for tuition, fees, books, supplies, and equipment. If these expenses are paid for with grant aid, they do not count for AOTC. However, if they are paid for with work-study earnings or with student loan funds, they can be used to claim the AOTC.

These last points mean that the manner in which the AOTC and Pell Grants are packaged has important implications. Pell Grants typically are used to cover tuition first, which for community college students often means that tuition is not a countable educational expense that can be used to claim the AOTC. According to IRS and Treasury guidance, students may apply their Pell Grants to room and board and pay tuition from loans or savings. This would allow low-income students at low-cost institutions to benefit from the AOTC. However, it would also increase their taxable income, and might affect eligibility for some benefits.[xxxiv]

Federal policy recommendations:

- Congress should make all student aid non-taxable, regardless of the use. Currently students can apply Pell Grants to any of the expenses associated with attending college, including direct costs like tuition, fees, and books; and indirect costs, such as transportation, housing, or food. Confusingly, however, when students use Pell Grants for direct costs, that portion of their grants is not subject to federal income taxation, but when they use Pell Grants to cover indirect educational costs, such as transportation, food, or housing, that portion of the grant becomes taxable income. This is true even though the Pell Grant award is intended to cover those costs, which are included in student budgets as determined by the college and included in the federal definition of the cost of attendance.

- The Department of Education should encourage institutions to include basic information about the purpose of the 1098-T form for helping students determine potential eligibility for tax credits. While students receive a form 1098-T from their institution each year, which can report either tuition billed or tuition paid, it does not provide any information about whether tuition was paid from grants or loans. The form also does not include any explanation of its purpose, and most schools do not include with the form any information about how to use it to claim the AOTC. Past Government Accounting Office (GAO) studies have found that many eligible students either do not claim the tuition tax credits or do not claim the ones that could maximize their benefits. Improved information could significantly improve students' access to this benefit.

How Can the Higher Education Act Better Support Access to Public Benefits?

We recommend several changes to the Higher Education Act (HEA) to encourage more institutions to connect students with comprehensive financial supports, including benefits, which can serve as a short-term support for the longer-term gain of a degree and a family-supporting job:

- Use federally funded grant dollars to help students apply for benefits:
  - Support the connection of low-income students to public benefits and refundable tax credits by including this connection in the recommended activities under Title IV TriO programs, particularly Student Support Services.
  - Increase minimum grants and funding for Student Support Services and focus new funding on connecting students to comprehensive financial supports.
  - Add connecting low-income students to comprehensive financial supports, including public benefits, to the authorized activities for institutions receiving funding through Title III and Title V. As noted earlier, students with the highest unmet need levels are often at minority-serving institutions, including Historically Black Colleges and Universities, and Hispanic-Serving Institutions.
  - Include connecting students to comprehensive financial supports beyond financial aid as a grant-eligible activity to improve postsecondary opportunities in the Fund for the Improvement in Postsecondary Education.

- Further test the impact of benefits receipt on college persistence and completion rates through the Experimental Sites Initiative (Section 487A).

- Educate more low-income students about the availability of public benefits
  - ED should add information about applying for public benefits to its studentaid.ed.gov portal. This site is a one-stop-shop for students to understand how to get in, pay for, and repay students loans from college. Such an addition would help more low-income students understand the options available to help them afford health insurance or child care, for instance. It would also be a step toward normalizing the idea that income supports go beyond those provided by the Department of Education.
  - When ED does outreach in secondary schools and other sites to educate students about their financial aid options and how to complete the FAFSA, the Department should highlight public benefits as a possible support.

- Mandate the formation of an inter-departmental working group comprised of representatives of the Departments of Agriculture, Education, Labor, Health and Human Services, Housing and Urban Development, and Transportation to streamline public benefits policies--such as Temporary Assistance for Needy Families, SNAP, and child care--with the goal of financially supporting attendance and success in postsecondary education for low-income students.

Challenges Remain

Low-income students face three main challenges to accessing the benefits to which they are entitled. All will need to be addressed in order to connect more students to public benefits and provide a broader array of financial supports beyond financial aid as a means of increasing persistence and completion.

First, many public benefit programs simply aren't designed for students, illustrating a misalignment between these programs and our nation's college completion goals. In addition, most schools know little about public benefit rules and how to make them work for their students. For example, on the benefits side, students attending postsecondary education and training full-time and not working are ineligible for subsidized child care programs in many states. And, college students are largely excluded from SNAP eligibility unless they meet one of the exemptions. In cases where a student may be eligible for SNAP, such as when working a Federal Work-Study job, a college may not be aware of this exemption and, thus, miss out on connecting the student with additional financial benefits. But CLASP also has found states and localities trying to overcome existing policy barriers or develop new policies supportive of postsecondary attainment. Moreover, we see colleges developing the capacity to build a network of more comprehensive supports for students through Benefits Access for College Completion, Achieving the Dream's Working Students Success Network, and individual college efforts' to connect students to benefits.

Second, many of these social programs are financially stretched, particularly after years of federal funding caps on domestic discretionary programs due to sequestration. If we are going to weave together a comprehensive system of supports, several of these programs will need increased funding at the federal, state, and, in some cases, local levels, and others will simply need to protect against cuts. As noted earlier, child care subsidies only meet the needs of one in seven eligible families. Public housing in some municipalities has waiting lists of thousands of families. And the demand for work-study positions outpaces the supply of slots provided through federal funding. Additionally, transportation assistance is a sorely needed financial support for which there is no dedicated funding stream and the lack of which negatively impacts low-income students in both rural and urban areas.

Third, there is public resistance to college students accessing public benefits: The recent political discourse has painted in a negative light the increases in the number of individuals receiving public benefits. In the 2012 presidential campaign, President Obama was criticized for the increasing number of individuals receiving SNAP, despite the fact that the increase was largely the result of a major recession. The program is designed to react in a countercyclical manner, so the increase was both logical and expected. This negative frame extends to students receiving benefits, who are portrayed as abusing the system. For example, one member of Congress equated Pell Grants with welfare, and Michigan's governor cut 30,000 college students from the SNAP rolls.[xxxv] In the current environment, it is difficult to publicly advocate for increased access to public benefits for low-income college students without an effort to change the perception of benefits as an essential—and temporary-- means of helping students make ends meet while in college. With college affordability garnering concern from an increasing portion of the country, the time is ripe to re-conceptualize how to structure college student financial supports to include assistance with food, health insurance, and child care.

Finally, more research is needed to determine what financial supports have the greatest impact on student persistence and completion. Research shows that an additional thousand dollars in aid increases college attendance by about four percentage points.[xxxvi] The quantitative portion of the Benefits Access for College Completion evaluation found that benefits access can have a positive impact on students' academic progress toward degree completion, especially for those who bundle multiple benefits while enrolled, as indicated by an initial analysis of college administrative data and state-level public benefits data at one community college. Colleges currently helping students access public benefits should conduct Return on Investment studies.

Affording and completing college is tough enough for any student. But for low-income students, and particularly those who are juggling multiple responsibilities at school and home, postsecondary education is especially challenging. That's why students—and the institutions they attend—need to think expansively about how to weave together the financial supports available to meet the many costs of attending and completing college. Public benefit programs are a source of temporary support that can help these low-income students—and the families of their own that many have—as they strive to gain the education, skills, and training they need to attain economic self-sufficiency.

Acknowledgements

I appreciate the Bill and Melinda Gates Foundation and the Urban Institute for supporting this research. I also thank the Lumina Foundation for its early interest in the intersection of financial aid and public benefits. I want to thank my colleagues at CLASP who provided valuable insights into the laws, regulations, and interpretations of various federal and state public benefits and financial aid programs. They include: Elizabeth Lower-Basch, Helly Lee, Suzanne Wikle, David Socolow, Christine Staub-Johnson, Anna Cielinski, Kisha Bird, and Cemere James. I also appreciate input offered by Sandy Baum of the Urban Institute.

In research for this paper I spoke with a number of individuals who are blazing a trail in helping low-income college students better access the supports needed to persist and complete. I would like to acknowledge Abby Parcell and Jenna Bryant of MDC, David Kaz of the Seattle Jobs Initiative, Heather Smith of SparkPoint at Skyline College, Rhonda Mouton at Single Stop USA at LaGuardia Community College, Maryann Haytmanek at Northampton Community College, Andy Stettner and Anjali Morgan at Single Stop USA, Sara Goldrick-Rab and Katharine Broton at the Hope Lab of University of Wisconsin-Madison, Julie Kashen at the Century Foundation, Barbara Gault at the Institute for Women's Policy Research, Susan Warfield at the University of Minnesota-Twin Cities, and Autumn Green at Endicott College.

Endnotes

[i] Reimherr, P., Harmon, T., Strawn, J., and Choitz, V. *Reforming Student Aid: How to Simplify Tax Aid and Use Performance Metrics to Improve College Choices and Completion*. Washington, DC: Center for Law and Social Policy (CLASP), February 2013. http://www.clasp.org/documents/Final-RADD-WhitePaper-Feb-2013.pdf
[ii] Lynch, M., Engle, J., and Cruz, J.L. *Lifting the Fog on Inequitable Financial Aid Policies*. Washington, DC: The Education Trust, November 2011. https://edtrust.org/resource/lifting-the-fog-on-inequitable-financial-aid-policies/
[ii] Kantrowitz, M. *Reasons Why Students Do Not File the FAFSA*. January 18, 2011. http://www.finaid.org/educators/20110118nofafsareasons.pdf
[iii] College Board. Figure 1: Average Estimated Full-Time Undergraduate Budgets, 2015-2016 (Enrollment Weighted), from *Trends in College Pricing 2015*. Washington, DC: College Board, 2015. http://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2015-16. The budget includes tuition and fees, room and board, book and supplies, transportation and other expenses.
[iv] Walizer, L. *Barriers to Success: High Unmet Financial Need Continues to Endanger Higher Education Opportunities for Low-Income Students*. Washington, DC: CLASP, June 2015. http://www.clasp.org/resources-and-publications/publication-1/Barriers-to-Success-High-Unmet-Financial-Need-Continues-to-Endanger-Higher-Education-Opportunities.pdf
[v] Public Agenda. *With Their Whole Lives Ahead of Them.* New York: Public Agenda, 2009. http://www.publicagenda.org/pages/with-their-whole-lives-ahead-of-them
[vi] Orozco, V. and Cauthen, N. *Work Less, Study More and Succeed: How Financial Supports Can Improve Postsecondary Success.* New York: Demos, 2009. http://www.demos.org/sites/default/files/publications/WorkLessStudyMore_Demos.pdf
[vii]Mullin, C. M. *Why access matters: The community college student body* (Policy Brief 2012-01PBL).Washington, DC: American Association of Community Colleges, February 2012. http://www.aacc.nche.edu/Publications/Briefs/Pages/pb02062012.aspx
[viii] Juszkiewicz, J. *Community College Students and Federal Student Financial Aid: A Primer* Washington, DC: American Association of Community Colleges, April 2014. http://www.aacc.nche.edu/Publications/Reports/Documents/CCStudents_A_Primer.pdf
[ix] Ibid.
[x] Goldrick-Rab, S., Broton, K. and Eisenberg, D. *Hungry to Learn: Addressing Food and Housing Insecurity Among Undergraduates*. Madison, WI: Wisconsin HOPE Lab, 2015.
[xi] Ibid.
[xii] Ibid.
[xiii] SNAP How Much Could I Receive website. http://www.fns.usda.gov/snap/how-much-could-i-receive
[xiv] Thirty-one states (including the District of Columbia) have chosen to expand Medicaid eligibility to 138 percent eligibility, while 19 states have not expanded eligibility. One state is still considering whether to expand. The Henry J. Kaiser Family Foundation, *Current Status of State Medicaid Expansion Decisions*. September 2015, http://kff.org/healthreform/slide/current-status-of-the-medicaid-expansion-decision/.
[xv] The Henry J. Kaiser Family Foundation, *Medicaid Income Eligibility Limits for Adults as a Percent of the Federal Poverty Level.* April 2015, http://kff.org/health-reform/state-indicator/medicaid-income-eligibility-limits-for-adults-as-a-percent-of-the-federal-poverty-level/.
[xvi] Center on Budget and Policy Priorities. Policy Basics: Federal Rental Assistance. Washington, DC: Center on Budget and Policy Priorities: July 7, 2015. http://www.cbpp.org/research/housing/policy-basics-federal-rental-assistance
[xvii] For the purposes of this research, we chose to focus on refundable tax credits for which more low-income individuals can benefit, as they are paid to taxpayers even if they do not owe any income tax. Other tax incentives, such as the tuition deduction and the Lifelong Learning Credit, require the student to have a tax liability in order to benefit. Therefore, significantly fewer low-income individuals qualify for the non-refundable tax credits.
[xviii] If a 19-23 year-old is a full-time student the parent can get the EITC.
[xix] The U.S. Department of Education, in consultation with the U.S. Department of Labor (USDOL) and the Office of Management and Budget, determined that the maximum UI benefits available would not have a significant impact on the EFC of an independent student. In the case of other students who have family members receiving UI benefits, the college aid administrators are encouraged to examine the entire family economic situation and make appropriate adjustments. ED issued a letter to aid administrators to this effect in May 2009 during the Great Recession at the same time that USDOL was encouraging unemployed individuals that they may be eligible for Pell Grants and other need-based student aid as part of a push during the recession to encourage unemployed individuals to increase their skills (US ED, Dear Colleague Letter: GEN-09-05). However, the extent to which this has been implemented by aid administrators is unknown, and likely varies greatly. In addition, a student has to know to ask for the administrator to use his or her discretion (or "professional judgment") to conduct an income redetermination; and then, the administrator has to be flexible enough to consider conducting a redetermination and to taking the option offered by ED. U.S. Department of Labor, Training and Employment Guidance Letter No. 21-08 (May 8, 2009), http://wdr.doleta.gov/directives/attach/TEGL/TEGL21-08.pdf. U.S. Department of Education, GEN-09-05: Update on Professional Judgment by Financial Aid Administrators" (May 8, 2009) http://ifap.ed.gov/dpcletters/GEN0905.html.
[xx] 20 U.S.C. 1087uu.
[xxi] 7 CFR 273.9(c).

[xxii] The Expected Family Contribution (EFC) is a calculated number that is used to determine a student's eligibility for federal student aid. Each student's EFC is derived from the financial information the student provides on his or her Free Application for Federal Student Aid (FAFSA). It is a measure of how much the student, and if applicable, his or her family, can be expected to contribute toward the cost of the student's education over the course of a year. The Simplified Needs Test is used to calculate the expected family contribution for a student applying for federal student financial aid.
[xxiii] 7 U.S.C. 2015(e) and 7 CFR 273.5.
Lower-Basch, E. and Lee, H. *SNAP Policy Brief: College Student Eligibility*. Washington, DC: CLASP, February 2014. http://www.clasp.org/resources-and-publications/publication-1/SNAP_College-Student-Eligibility.pdf
[xxiv]Note that this requirement is for the program, not the student. A program may only take four years for completion if pursued full-time but longer if pursued part-time.
[xxv] 7 U.S.C. 2015(e), as amended by Section 4007 of H.R. 2642.
[xxvi] Workfare is working in exchange for benefits.
[xxvii] Supplemental Nutrition Assistance Program – ABAWD Time Limit Policy and Program Access. Memo to Regional Directors. Washington, DC: U.S. Department of Agriculture, Food and Nutrition Service, November 2015. http://www.fns.usda.gov/sites/default/files/snap/ABAWD-Time-Limit-Policy-and-Program-Access-Memo-Nov2015.pdf
[xxviii] Lower-Basch, E. *SNAP E&T.* Washington, DC: CLASP, March 2014, http://www.clasp.org/resources-and-publications/publication-1/SNAP-ET-Overview.pdf.
[xxix] SNAP: Eligibility, Certification, and Employment and Training Provisions of the Farm Bill of 2008. http://www.regulations.gov/#!docketDetail;D=FNS-2011-0008. Supplemental Nutrition Assistance Program: State Options Report. Tenth Edition. Washington, DC: U.S. Department of Agriculture, Food and Nutrition Service, August 2012. http://www.fns.usda.gov/sites/default/files/10-State_Options.pdf
[xxx] Mohan, L. *TANF Education and Training: Nebraska's Employment First.* Washington, DC: CLASP, February 2014. http://www.clasp.org/resources-and-publications/publication-1/Nebraskas-Employment-First-Program-1.pdf
[xxxi] Bone, J. *TANF Education and Training: Kentucky's Ready to Work Program.* Washington, DC: CLASP, January 2010. http://www.clasp.org/resources-and-publications/files/RTW.pdf
[xxxii] The Minnesota Postsecondary Child Care Grant: http://www.ohe.state.mn.us/mPg.cfm?pageID=140.
[xxxiii] Training and Employment Guidance Letter No. 21-08.
[xxxiv] For more information see U.S. Department of Treasury, *Fact Sheet: Interaction of Pell Grants and Tax Credits: Students May Be Foregoing Tax Benefits by Mistake.* http://www.treasury.gov/connect/blog/Documents/Pell%20AOTC%204%20pager.pdf
[xxxv] Luzer, D. Washington Monthly blog post, *The Lie About Pell Grants, the "Welfare" of the 21st Century.* April 15, 2011. http://www.washingtonmonthly.com/college_guide/blog/the_lie_about_pell_grants_the.php.
www.foxnews.com. *Michigan Dumps 30,000 College Students from Food Stamp Program.* August 9, 2011. http://www.foxnews.com/politics/2011/08/09/michigan-kicks-30000-college-students-off-food-stamps/
[xxxvi] Deming, D. and Dynarski, S. Into College, Out of Poverty? *Policies to Increase the Postsecondary Attainment of the Poor*. Boston: National Bureau for Economic Research, 2009.