

CLASP

Policy solutions that work for low-income people

February 23, 2018

The Honorable Lamar Alexander
Chairman
Committee on Health, Education, Labor and
Pensions
428 Senate Dirksen Office Building
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Committee on Health, Education, Labor and
Pensions
428 Senate Dirksen Office Building
Washington, DC 20510

Re: HEA Reauthorization Comments

Dear Chairman Alexander and Ranking Member Murray:

More than 50 years ago, President Lyndon Baines Johnson signed the Higher Education Act (HEA), expanding access and affordability to millions of college students. As Congress considers HEA's reauthorization, it has an opportunity to make college affordable and accessible. That means ensuring our postsecondary education system supports students who have the most to gain from getting a college degree or postsecondary credential: low-income students, students of color, adult learners, student parents, opportunity youth, immigrants, homeless and foster youth, and people who are currently or formerly incarcerated.

As a national, nonprofit, anti-poverty organization, the Center for Law and Social Policy (CLASP) promotes policy that improves low-income people's economic security and creates pathways to education and work. For this reason, we write to provide the committee with recommendations to strengthen HEA.

In today's globally competitive economy, low-income students need education, training, and career pathways in order to secure good jobs and careers, increase their earnings, and fully participate in our nation's democracy. HEA helps students overcome barriers to postsecondary credentials that lead to family-sustaining jobs and career advancement. It also supports partnerships between postsecondary institutions, the workforce system, and employers. CLASP urges you to develop a bipartisan, comprehensive HEA bill that improves low-income students' economic mobility, health and wellbeing, civic participation, and connections to good jobs and careers.

Since 2008, college costs have skyrocketed and state spending remains well below pre-recession levels. According to the Center on Budget and Policy Priorities, **tuition increased more than 34 percent between 2008 and 2015**. This has placed college out of reach for millions of students, particularly low-income students and students of color, forcing them to pay and borrow more money or forgo college altogether. On community college campuses, a large percentage of low-income students cannot afford food, housing, and textbooks—basic needs that make it possible to succeed in school. To make matters worse, the cost of these education-related expenses has increased. **The average community college student has \$4,011 in unmet need** (the gap between what college costs and the money students have).

Strengthening federal grant aid

During your February 6 hearing on improving college affordability, Montgomery College President DeRionne Pollard explained that “affordability is the biggest challenge facing community colleges today.” We could not agree more. Other witnesses noted that today the maximum Pell grant (\$5,920) only covers about one-third of the cost of tuition at a four-year public institution. Forty years ago, the maximum Pell grant award covered three-quarters of the cost. The witnesses underscored Pell’s vital role in making college more affordable and accessible for low-income students.

CLASP strongly supports increasing the maximum Pell award and other grant aid to low-income students. The maximum Pell grant should cover the full cost of attendance at two- and four-year public institutions. Additionally, Congress can and must strengthen the Federal Pell grant and FSEOG programs. As the committee drafts bipartisan legislation, we recommend the following:

- Target Pell grant aid by creating a “negative expected family contribution (EFC)” calculation in the need analysis and allow the neediest students to access additional Pell grant aid to meet their cost of attendance.
- Double the maximum Pell grant award.
- Automatically adjust the Pell grant award for inflation every year.
- Redesign the FSEOG allocation formula to better support students with the greatest financial need by distributing funds based on the proportion of Pell-eligible students at institutions.

Expanding Pell grant eligibility

In this Congress, there have been troubling policy discussions about changing the full-time enrollment standard of 12 credits per term to 15 credits per term. As advocates who work on behalf of low-income students, we believe this policy change would be devastating to student parents, opportunity youth, immigrants, and adult learners who must work to make ends meet. Instead, we urge the committee to preserve aid eligibility for nontraditional students and expand Pell eligibility to a greater number of low-income students who currently do not qualify for federal student aid. We recommend the following:

- Maintain the full-time enrollment standard of 12 credits per term.
- Preserve aid eligibility for half-time and less-than-half-time students.
- Align Pell grant requirements with satisfactory academic progress (SAP) requirements to ensure students enrolled full time in 12 credits per semester are allowed to complete their degree in 7.5 years.
- Restore Pell eligibility for incarcerated individuals.
- Allow Dreamers to access federal student financial aid.
- Allow low-income students to access Pell grants for **high-quality short-term training programs**, under defined circumstances and as part of a career pathway leading to a certificate or postsecondary credential.

FAFSA simplification & federal work-study

FAFSA simplification alone cannot solve the issue of college access and affordability, but it can streamline the financial aid process and expand access to more low-income students. CLASP supports provisions in the **Simple FAFSA Act** that would:

- Increase the income eligibility for automatic zero EFC to \$34,000.
- Remove the income verification requirement for applicants who have received benefits from a means-tested federal program over the prior two years.
- Reduce the work penalty for working students by increasing the Income Protection Allowance by 35 percent, enabling working students to keep a greater share of their income.
- Remove questions about prior drug convictions from the FAFSA.
- Provide the FAFSA in both paper and electronic formats in at least 11 foreign languages.
- Revise the federal work-study formula to better serve low-income students and align work placements with fields of study.

Promoting student success for low-income students and students of color

As you know, **51 percent of undergraduates are independent; 40 percent are adults ages 25 and older; 27 percent work full time; and 26 percent are parents.** In recent years, historically underrepresented students have become a larger segment in higher education. Now more than ever, millions of low-income students, particularly students of color, struggle to afford the cost of college and make ends meet. Many work part-time and full-time jobs while they pursue a postsecondary education or credential. Others are student parents who juggle work and family responsibilities while attending school.

Too often, low-income students, students of color, and immigrants who experience academic, financial, and personal challenges do not receive the counseling, advising, and comprehensive supports needed to succeed in school. In order to move low-income students along pathways out of poverty, our higher education system must expand best practices in states and institutions that promote student success and career pathways for low-income and historically underrepresented students. We urge you to recognize the changing face of postsecondary students and work to:

- Incentivize best practices leading to transfer, completion and career pathways, including flexible class schedules and comprehensive supports like public benefits, transportation, and child care.
- Increase culturally competent academic advising, counseling, and mental health services in higher education.
- Incentivize best practices in states and institutions that offer clear and guided pathways, culturally comprehensive supports, dual enrollment approaches, and high-quality instruction and educational delivery systems.
- Increase targeted support for HBCUs, TCUs, HSIs, PBIs, AANAPISIs, and other Minority-Serving Institutions.
- **Pass the DREAM Act** and authorize a grant program to support resource centers for Dreamers at two- and four-year institutions.
- Focus accreditors on making institutions more responsive to the needs of diverse student populations by establishing accountability standards in the accreditation process. This will promote racial equity and inclusion, close educational attainment gaps, and foster healthy campus climates.

Federal investments in postsecondary education

The Senate HELP committee has also discussed whether new investments are needed to strengthen current federal higher education programs. In our view, HEA reauthorization must:

- Better target existing federal higher education programs to low-income students.
- Build the capacity of institutions that educate large concentrations of low-income students by authorizing new federal investments to improve college access, affordability, student success, and connections to good jobs and careers.
- Encourage and incentivize states and institutions to respond to the needs of low-income students and students of color.

In closing, we commend you for working in a bipartisan manner and taking a comprehensive approach to reauthorizing HEA. As the process moves forward, we look forward to collaborating with your staff to strengthen this critical legislation. Please see CLASP's additional resources ***Priorities for the Higher Education Act*** and our letter on ***Accountability and Risk-sharing***. If you have additional questions, please feel free to contact Rosa M. García at rgarcia@clasp.org.

Sincerely,

Rosa M. García

Senior Policy Analyst