

#RealCollege Statement on the Emergency Coronavirus Relief Act of 2020

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Educational opportunity is critical to America's <u>post-pandemic recovery</u>. The Great Recession demonstrated that the workforce demands college degrees and that people without them <u>bear the brunt</u> of economic downturns. After months of partisan wrangling and mounting pressure from state and local officials, experts, and advocates, Congress has finally produced a bipartisan relief package to address the COVID-19 crisis. <u>The Emergency Coronavirus Relief Act of 2020 (ECRA)</u> allocates \$748 billion dollars to help, but only about \$1.8 billion are <u>new</u> funds. In particular, while the ECRA provides more support for higher education institutions and students, it does not go far enough, even in combination with previous funding.

"We applaud Congress for targeting support to higher education but the investment needs to go much further. Financial precarity is widespread. #RealCollege students are dropping out without the degrees and other credentials they need to live economically secure and healthy lives," said Dr. Sara Goldrick-Rab, President and Founder of The Hope Center for College, Community, and Justice. "These students, who overwhelmingly attend institutions that receive less resources, stand to gain the most from a postsecondary education yet face some of the greatest barriers to completion. They need much more emergency assistance now."

SUPPORT FOR STUDENTS

#RealCollege students are facing a mental and physical health crisis. This has been compounded by systemic racism, declining college affordability, and stagnating wages while the cost of living has been rising. Our research shows that students were struggling to meet their basic needs before COVID-19 and our recent survey completed at the pandemic's onset showed this only became worse. Last month the Hope Center, along with over 100 partners, called on Congress to ensure students have access to emergency aid to allow students to focus on learning. We are pleased that Congress made additional investments to support students as the ECRA includes \$10 billion in emergency financial aid grants. However, it falls short of the underlying need and offers little guidance regarding student eligibility or institutional distribution which increases the likelihood that students will face significant and inequitable barriers when it comes to accessing the funds.

Increasing Supplemental Nutrition Assistance Program (SNAP) benefits and removing barriers to access are proven means to reduce food insecurity. The ECRA takes steps towards easing student eligibility requirements under SNAP: Students who meet income and eligibility requirements, including half-time college enrollment, may receive SNAP if they are <u>eligible for</u> state or federal work study or have an expected family contribution (EFC) of \$0 based on their FAFSA for the academic year.



Students must only meet <u>one of several exemptions</u> to qualify for SNAP, which means that the work requirement is waived for these individuals. <u>Given long-time shortfalls</u> in Federal Work Study funding and the disappearance of such jobs during the pandemic, we are particularly glad to see a focus on eligibility rather than receipt of those dollars. The ECRA also sets an important precedent for using a zero-dollar EFC as a form of categorical eligibility for SNAP, as recommended in the <u>College Student Hunger Act of 2019</u>, which goes even further to help students access SNAP. The EFC change could improve eligibility for <u>an estimated six million students</u> if they are otherwise eligible.

Congress should go much further. Legislators already <u>suspended work requirements for adults without dependents</u> but excluded college students. The same should happen for all #RealCollege students. There are many who cannot complete a FAFSA but are otherwise eligible for SNAP, and there are many whose parents' income gives them an EFC higher than \$0 while the student receives none of those funds. Both are at risk of food insecurity. All <u>eligibility requirements tied to work</u> should be suspended for all public programs to improve the ability of people, including #RealCollege students, to meet their basic needs.

SUPPORT FOR INSTITUTIONS

The ECRA allocates about \$10 billion dollars to support higher education institutions. But there is an estimated \$78 billion shortfall for community colleges. Moreover, part-time students, who often work full time, need significant support from college staff and faculty to complete their degrees—yet public funding often prioritizes full-time students.

The ECRA includes some welcome improvements to the institutional allocation. Compared to the CARES Act which used a <u>full-time equivalent (FTE) formula</u> that underfunded part-time students and the institutions they attend the ECRA splits 85% of the funds evenly between an FTE formula and a headcount formula, a change that will <u>benefit students with lower incomes</u> and the institutions they attend. The formula also prioritizes Pell recipients and includes allocations for students enrolled in distance education prior to the pandemic. There is also an effort to address institutional wealth inequality; institutions subject to the endowment excise tax will have their ECRA allocation reduced by 50%. In addition, about \$7 billion is allocated to the Governor's Emergency Education Relief program. We urge governors to use those funds to buttress community and technical colleges, which are in the greatest distress.

The fact is, the ECRA falls well short of the clear need throughout higher education; it is \$100 billion less than some advocates requested. Insufficient funding will only perpetuate the downward spiral in which many students now find themselves; as they drop out they will find it even harder to repay student loan debt and prospects for later college re-entry will dim.

At a time when three in five students were already experiencing food and/or housing insecurity, and two-thirds experienced reduced wages and total job loss it is critical for individuals, their families, and for our nation's economic recovery that we support students to degree completion. While Congress takes some important steps in the ECRA, it falls far short of what is needed for an institutional system that plays the primary role in adequately preparing people for our country's workforce. It is incumbent upon the 117th Congress and the incoming White House administration to fully invest in long-term solutions that center students' humanity, paving the way to college completion for all.