



U.S. Department of Education Policy Reversal on Emergency Financial Aid Grants to Students Harms #RealCollege Students

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Today, the U.S. Department of Education reversed its previous position on the Emergency Financial Aid Grants to Students under Section 18004 of the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#) by excluding students who do not have a social security number. This new guidance is a reversal from prior issuances and is inconsistent with the CARES legislation's clear intent. Guidance issued by Secretary DeVos on April 9th offered colleges and universities "the resources and flexibilities you need to continue educating your students" and proposed institutions have "significant discretion on how to award this emergency assistance to students." The accompanying "[Recipient's Funding Certification and Agreement](#)" further crystalized the program's intentions:

"The Secretary does not consider these individual emergency financial aid grants to constitute Federal financial aid under Title IV of the HEA."

Given the crushing blow that campus closures and rising unemployment have dealt to all students, especially those who could not complete the Free Application for Federal Student Aid (FAFSA), this flexibility was a critical tool for institutions. We commended the Secretary for this effort. The National Association of Student Financial Aid Administrators (NASFAA) President and CEO Justin Draeger [pointed out the uncommon flexibility](#) at this critical time, and emphasized that the funds did not have to be administered by institution's financial aid offices and could instead be distributed by another part of the organization.

At 2 pm the U.S. Department of Education issued an about-face on the core provisions of its earlier guidance. The [new FAQ document](#) states students must be Title IV eligible to receive the funds. Most international students and Deferred Action for Childhood Arrivals (DACA) students, two critical populations at enormous risk of having their college educations entirely derailed, are now ineligible. Further, the clear implication is that institutions must now impose burdensome eligibility requirements in order to comply with this new guidance that will only further delay funds from moving quickly to meet students' needs.

At the same time, non-Title IV eligible students remain in the calculation used to distribute dollars to colleges and universities using the full time-equivalent formula from the [National Center for Education Statistics \(NCES\)](#). The implication is that the Department of Education is fine with colleges and universities benefitting from their enrollment and tuition dollars but is unwilling to support their basic needs during a pandemic.

This is the opposite of a student-centered, economically responsible response to a crisis. It neglects empirical evidence demonstrating the tremendous value of investments in the education of students currently left out of the Title IV system, and the importance of retaining every student to institutions' bottom lines. It creates more stress and uncertainty for a sector on the brink – a sector critical to the nation's survival. This move also has implications for the future pipeline of workers whose education and future labor force participation will be negatively impacted.