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The Hope Center Statement on The Consolidated Appropriations Act, 2021

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On Monday, December 21st, Congress produced a bipartisan [relief package to address the COVID-19 crisis, as well as an omnibus funding bill](#). It includes more than \$22.7 billion in stimulus support for higher education institutions and students, representing some significant gains for the #RealCollege movement while also clarifying the work left to do.

“On the one hand, the Consolidated Appropriations Act, 2021 takes important steps to address students’ needs, particularly with regard to emergency aid, SNAP, and financial aid rules. The Hope Center and our allies have advocated for these changes for many years, and we are grateful to Congressional leaders for taking action. However, this stimulus does not go nearly far enough given students’ tremendous needs at this time,” said Dr. Sara Goldrick-Rab, President and Founder of [The Hope Center for College, Community, and Justice](#). “#RealCollege students, concentrated in 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.”

NEW SUPPORT FOR #REALCOLLEGE STUDENTS

The data are clear: 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](#). [In early December we reiterated](#) the need for that support and more. We are therefore pleased that the final stimulus bill includes additional investments in flexible emergency aid, a more equitable funding formula, improved access to food assistance to support students, and financial aid reforms.

Emergency Financial Aid Grants - Students, including those enrolled online, will have access to additional emergency aid grants.

- Institutions must spend on emergency aid the amount equal to their CARES Act emergency aid allocation. While this means that at least \$6B in new support must go to students, institutions may spend more than that amount depending on student need.
- Institutions must prioritize students with “exceptional need.” While the bill uses Pell Grant recipients as an example, it does not limit aid to Pell grant recipients or to students who are eligible for federal financial aid. This allows significant latitude for institutions to identify students with “exceptional need,” such as students of color, parenting students, first-generation, and immigrant students.

Funding Formula Equity - A revised formula for institutional allocation will direct more of the \$22.7B in support towards students at community colleges, helping to address the greater student need for support in that sector. This is an improvement over the CARES Act which used a strictly [full-time equivalent \(FTE\) formula](#) that underfunded part-time students and the institutions they attend.

- 89% of the funds will be split evenly between an FTE formula and a headcount formula, a change that will [benefit students with lower incomes](#) and the institutions they attend.
- The formula also prioritizes Pell recipients and apportions 2% of funds based on 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 allocation reduced by 50% and their funds may only be used to provide emergency aid grants to students or to improve the “health and safety of the campus environment.”
- Approximately \$4 billion is allocated to the Governor’s Emergency Education Relief program across the education spectrum. While the funding can be allocated as grants to all local education agencies and higher education institutions for emergency educational services, we encourage governors to target support to community and technical colleges.

Improved Access to SNAP - The bill takes several significant steps to improve the students’ ability to meet their most basic need for food, including a 15% increase in the Supplemental Nutrition Assistance Program (SNAP) benefit amount for all recipients. Research shows that [SNAP benefits](#), and [removing barriers to access](#) to those benefits, are proven means to reduce food insecurity, which can support student success. [Given long-time shortfalls](#) in Federal Work Study funding and the disappearance of jobs during the pandemic, we are particularly glad to see an improved focus on eligibility.

College students who meet income and eligibility requirements, including half-time enrollment, qualify for SNAP under two new criteria. A student must only meet one exemption to be eligible for SNAP and therefore are not additionally subject to the 20-hour-week work requirement:

- Students who are *eligible* to participate in a federal or state work-study program. This is a change from requiring receipt of work-study. While this has always been permissible states have been reticent to adopt this interpretation as the regulations are unclear. Only the state of [California](#) has used this provision to improve SNAP access for students.
- Students with an Expected Family Contribution (EFC) of \$0 based on their FAFSA for the academic year. The bill sets an important precedent for using a zero-dollar EFC as a form of categorical eligibility for SNAP. This was recommended in the [College Student Hunger Act of 2019](#), which goes even further to help students access SNAP. We estimate that the EFC change could improve eligibility for [an estimated six million students](#).

The bill also mandates that the SNAP eligibility changes are communicated to institutions and students. It requires the Department of Education to issue new guidance as well as to work with the Department of Agriculture and institutions to ensure students are made aware of their potential eligibility for SNAP.

This coordination is consistent with a 2018 [Government Accountability report](#) that cited improved communication about SNAP eligibility could improve student access.

Critical Financial Aid Improvements - The bill also makes significant, overdue changes or improvements to several areas. These changes will expand higher education opportunities and reduce mandates on some of the most marginalized students. These include:

- [Restoration of the Second Chance Pell Grant](#) for individuals pursuing postsecondary education while incarcerated as well as funding for the Institute for Education Sciences (IES) to evaluate the impact and outcomes of such programs.
- Removing the ban on prior drug convictions. Prior to the passage of this bill, students with prior drug convictions were barred from applying for federal financial aid. This bill removed that restriction, opening the door for improved access to college.
- A simplified FAFSA process for [unaccompanied homeless students and former foster youth](#), an initiative championed by students directly impacted by bureaucratic mandates such as [recertifying their independent status](#) each year. Annual recertification forces students to perform their poverty and relive their trauma; this significant change takes that burden off of students.
- Amended Pell Grant eligibility factors. Instead of relying on an “expected family contribution” determination, eligibility will be based on a student’s family size and adjusted gross income, as compared to federal poverty levels. This change also means students may know whether they qualify for a Pell Grant prior to completing the FAFSA.
- Support to access broadband internet for Pell eligible students. Under a pandemic-related program, Pell recipients are eligible for a new broadband benefit that would provide monthly discounts to help subsidize the cost of high-speed internet.
- The bill renames the “Expected Family Contribution” the “Student Aid Index.” This change is important as [studies have shown that the EFC phrase is insulting to students and families](#).
- The bill also sets an unprecedented negative Student Aid Index. Prior to this change, Expected Family Contribution calculations had a floor of \$0. Now, a Student Aid Index calculation can reflect a need lower than \$0, so long as it does not go below -\$1,500.
- Removing the selective service requirement. Prior to the passage of this bill, FAFSA filers were required to register for selective service; if they didn’t, they would not be eligible to submit their FAFSA and receive financial aid. Under this bill, students will not be barred from submitting their FAFSA if they do not register for selective service.
- A new food and housing allowance in the financial aid formula for dependent students living at home; this is important as many students [residing with families contribute to household expenses](#).

- Increased flexibility in professional judgement for financial aid officers during the health crisis. Specifically, a financial aid officer can determine that income earned by a student through their employment is equal to zero if the student can show they are receiving or applied for unemployment insurance.

Improved Data Sharing - The improved integration and sharing of data systems will be critical to ensure that funding and efforts reach the students we care about most. The bill made some important investments that could increase the ability of states and institutions to provide targeted support for students and improve the likelihood of degree completion, including;

- Approximately \$642 million in funding for the Institute of Education Sciences (IES) to improve or develop integrated state data systems across early childhood education, K-12, postsecondary and workforce data systems. As well as funds allocated for technical assistance to integrate data at the local, state, and national levels. However, the exclusion of programs that fall under the purview of human services agencies that provide support for education and training activities is a glaring omission.
- An allocation of \$45 million of employment and training funds under the Workforce Innovation & Opportunity Act designated to develop or improve the classes and programs offered at community colleges.

THE WORK BEFORE US

While gains have been made, there is still far more to do in order to ensure that students can continue to pursue a college education during the pandemic.

- Despite evidence that doing so negatively impacts students with disabilities, LGBTQ students, and many others, [adult college students claimed as dependents are ineligible](#) for the \$600 stimulus check.
- Legislators [already suspended work requirements for adults without dependents](#) but kept them in place for college students. Many students 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, yet both can experience food insecurity. All [eligibility requirements tied to work](#) should be suspended for all public programs to improve the ability of people, including #RealCollege students, to meet their basic needs.
- The FAFSA simplification in the legislation reduces the number of questions students are asked but does not help those who cannot obtain the necessary information or need support filing. Research shows that [simplification without assistance is not effective](#).
- While renamed the "Student Aid Index," funding to students is still based on a flawed needs analysis that [falsely sorts students into the "deserving" and "undeserving."](#)
- This bill does not address the substantial underfunding of the Pell Grant; the \$150 per grant increase is not enough to offset [continuing declines in the grant's purchasing power](#). Making more students eligible

for Pell without restoring Pell's promise of fully covering the cost of attendance increases the risk that students will enter college, take on debt, but not finish because the grant now covers barely one-third of the cost of public universities. In other words, this bill does not remove the primary barriers to college faced by low-income students. We must go #BeyondPell: we have to eliminate tuition and invest in public higher education infrastructure to support students to completion.

- While the bill allocates about \$20 billion dollars to support higher education institutions, the estimated [\\$78 billion shortfall](#) for community colleges remains to be addressed. Insufficient institutional support is a [key driver of non-completion](#). Continued underfunding will 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 this bill, 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. President Obama and Vice President Biden proposed the [American Graduation Initiative](#), a bold program to significantly increase the number of community college graduates nationwide. Implementing this program and taking critical steps towards a free college system are two key ways the 117th Congress and the incoming White House administration can build on the Consolidated Appropriations Act of 2021, and fully invest in long-term solutions that center students' humanity, paving the way to college completion for all.