uAspire Calls on Congress: 12 Ways to Support College Students in Next COVID Relief Package

By Ali Caccavella and Laura Keane
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The dual pandemics of rising coronavirus cases and long-standing systemic racism leave students of color and those from low-income households most vulnerable to financial risk and harm. To realize their investment in higher education, they need substantive and sustainable support. The CARES Act provided vital initial relief last spring, yet as the COVID pandemic deepens, more must be done.

uAspire's advising work provides real-time insights into the financial insecurity students are facing. Most are in the dark about their financial aid, impending fall bills, how to afford their degree, or what the college experience they are buying will look like. Students are making difficult choices about continuing college and providing for their families.

uAspire urges Congress to provide the following provisions in the forthcoming COVID-relief package. Our recommendations fall into four categories:

- Explicitly include college students in comprehensive relief policies
- Bolster financial aid to help highest-need students complete their degree
- Further invest in states and more equitably distribute institutional aid dollars
- Protect student loan borrowers to prevent further defaults

1. **Explicitly include college students in comprehensive relief policies**
   Today's postsecondary students are tomorrow's economic engine. They must not be left in the margins of broader stimulus support offered beyond the Education Department. Congress must:

   - **Ensure 17 to 24-year-old postsecondary students' eligibility for stimulus checks**
     Many college students are claimed as dependents on parent taxes yet live independently, including those with their own children. Congress should provide at least $500 for college students ages 17-24 who are claimed as dependents and permit independent students to receive $1,200 stimulus checks.

   - **Extend unemployment benefits to students unable to work**
     The majority of college students, especially those from low-income backgrounds and communities of color, must work to afford their degree. Congress must expand unemployment assistance to working students, including those unable to work due to campus closures and safety issues. Congress should also provide unemployment benefits to recent graduates seeking to enter the workforce during an unprecedented economic recession.

   - **Eliminate SNAP eligibility work requirements for college students**
     A recent survey by the Hope Center shows 60% of undergraduates and 70% of Black undergraduates are experiencing food and/or housing insecurity since the pandemic began. Given high rates of unemployment for college students, Congress must suspend the 20-hour work requirement for food assistance so that students do not go hungry while navigating economic hardships due to COVID and trying to complete their degrees.

Student Story:
Deborah M. worked an on-campus office job before her public 4-year college in Pennsylvania suddenly shut down due to COVID. Back home, she struggled to stay connected to her courses without access to on-campus internet and computer labs. She applied for unemployment but was deemed ineligible because the campus office where she worked was technically still open. Her mother did not receive stimulus aid because she was unable to connect with IRS records as a non-filer. Deborah's financial aid package for the fall leaves her with less grant aid and a bigger financial gap than she's ever had before. She doesn't know how she will afford her living expenses and college bill for fall 2020.

2. **Bolster financial aid to help highest-need students complete their degree**
   Financial aid relief should be inclusive of all students, prioritized for those students who need it most, and flexible to meet the complete costs of college. The next relief package should:

   - **Provide emergency aid directly to all students in need and relief funds to institutions**
     Schools and their students need extra support to meet exacerbated costs beyond tuition for safe degree completion during COVID. uAspire's recent research shows that non-tuition expenses make up more than half of college costs and 88% of students stress about covering these costs. Without more support students will drop out and defaults will sharply rise. Congress must provide additional relief funding to colleges with at least 50% earmarked for students. Congress should prohibit the Secretary from excluding DACA/TPS students who are not eligible for standard federal student aid programs.

   - **Bolster need-based federal aid and the Pell Grant**
     Pell's purchasing power covers less than a third of the total cost of attendance with an eligibility timeline truncated to 12 semesters. College students who qualify for zero EFC quickly reach the limits of financial aid and face large gaps that threaten their degree completion. The untenable cost burden on low-income students is compounded by COVID. Congress should double the Pell amount, return Pell lifetime eligibility to 7.5 years and adjust EFC need analysis to reflect the true depth of their financial need.

   - **Increase investment in broadband access for remote learning**
     Congressional leaders recently cited that nearly 20% of college students struggle to access needed technology for remote learning during COVID with a disproportionate burden on students on color. Congress should increase federal funding and offer flexibilities to the E-Rate program to allow for the purchase and dissemination of internet-enabled laptops and high-speed WiFi devices directly to students from low-income households. This funding must include state systems of higher education with priority given to Pell-eligible students and community colleges.

Student Story:
Ruby P. is a rising junior in the University of California system. Ruby, a Pell Grant and Cal Grant recipient, lived in an on-campus apartment and received a $2,000 university grant to cover indirect expenses. When COVID-19 closed campus last spring, she was suddenly forced to move off campus into a high-priced housing market. Simultaneously, Ruby's grant aid for

housing was cut by $1,100 and she lost her on-campus job and income. Facing a decrease in her aid and her income amidst increased COVID expenses, she struggled to get by. She finally received $900 in CARES Act emergency aid to cover immediate food and moving costs, yet this left Ruby with an unexpected $200 deficit. Today, Ruby faces increased hurdles to pay for her college education and has not received her fall financial aid package or bill for the upcoming semester.

3. **Further invest in states and more equitably distribute institutional aid dollars**
SHEEO research demonstrates that even pre-pandemic, states have yet to rebound higher education funding to the 2008 levels before the Great Recession. Without the luxury of borrowing, states passed budget cuts onto public higher education which then increased college costs and debt burden for students. To preserve public higher education and ensure the opportunity does not close for Pell-eligible students, Congress must:

- **Adjust the CARES Act formula to use headcount not FTE**
The formula for providing institutional relief aid must be adjusted to be inclusive of part-time students—the students most in dire economic need. Sixty-five percent of community college students or approximately 3.5 million students attend college part-time and recent Achieving the Dream research shows that part-time students are also more likely to be people of color, from low-income households, and first-generation to college.

- **Invest in and incentivize states to stabilize their public higher education systems** Prioritize significantly investing in states over individual institutions of higher education. This is critical to stabilize public higher education budgets which provide for public systems' operational costs and need-based student financial aid. Include a Maintenance of Effort (MOE) requirement to dissuade cuts to per student levels once state revenue returns to pre-pandemic levels.

- **Ensure institutions do not pass on increased COVID-related costs to students and increase transparency of college costs and charges**
Low- and moderate-income students should not be forced to pay increased fees to cover COVID expenses incurred by institutions. Prohibit all institutions who receive federal relief aid from charging students additional COVID fees. Require all institutions to post on their COVID webpage how the federal relief aid will be allocated to ensure fees for students are covered first by federal aid.

Student Story:
A student at a private 4-year college in Massachusetts found a new charge of $475 per semester, or $950 per year, on their bill labeled as a "COVID Mitigation Fee." The college transparently communicated costs with a detailed itemization of fees. The website included an explanation that this fee would help pay for increased expenses to make campus meet safety requirements such as testing costs, PPE, etc. The explanation included a section of how the college may reduce or eliminate this fee if sufficient federal funding is provided. The college also shared that CARES Act funding was already allocated to reduce tuition by $1,000. While the student has clarity of their costs, they are unsure how they will cover this additional fee given an already tapped maximum financial aid and student loans.

4. **Protect student loan borrowers to prevent further defaults**
   Student loan debt was already at record levels as borrowers carry an increasing burden of divestment in higher education from the Great Recession. Congress should:

   - **Extend the federal student loan repayment freeze and 0% interest accumulation on federally held loans until October 1, 2021**
     During this unprecedented economic downturn, borrowers face increasing financial hardship and skyrocketing unemployment. Suspension of loan payments and interest accumulation provided critical relief to millions of indebted student borrowers under the CARES Act but is due to expire in September. Congress must extend this freeze on federal student loan repayments and interest accumulation until the economy rebounds.

   - **Provide relief to PSLF enrollees until October 1, 2021**
     Due to COVID, public service workers who are enrolled in PSLF may be unemployed or underemployed with decreased hours. Congress should continue to credit PSLF registrants with "qualified payments" during the period of loan suspension and waive work requirements for those laid off by the pandemic. Congress should also offer flexibility on delayed recertification of PSLF eligibility without penalty.

   - **Discharge loans from predatory for-profit colleges**
     For-profit colleges enroll disproportionate numbers of students of color and leverage federal student loans to pay for it. Due to widespread systemic inequities, students of color face higher negative health and economic impacts of COVID and need relief. Research led by the Treasury Department shows students graduated with nearly $7.5 billion in debt from low-performing career programs, many which cost more than twice as much as the annual job earnings they were purported to unlock. Congress should discharge loans from predatory for-profit institutions whose deceptive practices left vulnerable students with crushing debt and low-value degrees in an unprecedented economic downturn.

PSLF Borrower Story:
Both Yassi D. and her husband serve their NYC community in nonprofit education jobs. Yassi remained employed, but her husband was laid off as a result of COVID shutdowns. They were relieved when payments froze on their respective large student loan balances which helped them make ends meet. Then, a sudden heart attack from an undiagnosed condition saddled Yassi and her husband with large and unexpected medical bills. If the repayment freeze ends in the coming months, Yassi and her husband face imminent financial insecurity, unsure how they will afford both loan payments and the on-going medical bills on one modest public sector salary.