

Federal Policy Agenda

uAspire is a national nonprofit that ensures all students have the financial information and resources necessary to access and complete postsecondary education. Through financial aid advising, training, and policy advocacy, we remove financial barriers to make higher education more affordable and accessible for students from low-income backgrounds.

While a college degree is a powerful driver of economic mobility, attaining one is primarily determined by a student's family background rather than academic achievement. Estimated bachelor's degree attainment rates by age 24 were almost 5 times higher for those in the highest income quartile than for the lowest income quartile (59 percent vs. 15 percent) in 2020.

All students can pursue their choice of postsecondary credential without burdensome costs if we:

- Ensure the FAFSA works for students and families
- Invest in financial aid
- Make financial aid communications standardized and transparent
- Support degree attainment
- Meet students' basic needs

Ensure the FAFSA works for students and families

The Free Application for Federal Student Aid (FAFSA) is required to determine students' eligibility for federal, state, and institutional grants, loans, and work-study that make higher education more affordable. Changes mandated by Congress in the FAFSA Simplification Act – such as reducing the number of questions and more easily transferring tax data into the FAFSA – were designed to streamline the experience. While the rollout of the 24-25 FAFSA included technical glitches, delays, and inadequate communication, the 25-26 FAFSA has been a far improved experience. It is crucial to ensure the FAFSA continues to work for students and families.



Pass legislation to implement technical amendments

Amend the Higher Education Act to:

- **Reinstate the student housing choice question on the FAFSA.** Colleges need to know if students plan to live on campus or off-campus to create an accurate financial aid offer. Removing the question has resulted in students getting more confusing or inaccurate financial aid offers that do not reflect the students' living situation.
- **Discontinue the use of IRS number of dependents to determine family size.** Currently the family size number is automatically generated from the prior prior year tax forms held by the IRS. This number does not always reflect current family size, and because it is masked, students do not realize they need to update it. Many corrections to financial aid packages have been to update to the current family size.
- **Automatically designate a student who is under 24 and separated and divorced as an independent student.** It can be cumbersome to handle financial aid with their taxes with their former spouse; adding in parental finances adds unnecessary complications.



Improve FAFSA accessibility

- **Monitor** and quickly fix technical glitches that arise.
- **Pilot-test** any changes before widely rolling them out.
- **Simplify wording.** Question language and help text used on the FAFSA should be user-tested to ensure it is understandable for all students and parents.
- **Ensure FAFSA accessibility for different populations.** The FAFSA must be designed to work for all, including those in rural areas, those with limited access to technology, individuals with limited capacity to understand English, mixed-status families, students whose contributors live overseas or are in the military, and students who are homeless or in foster care.



Strengthen communication and resources for students and families

- **Ensure adequate staffing for FSA and the call centers.** The over 2.2 million students and their families who complete the FAFSA every year should be able to get answers from the FSA call center. Some students have complicated scenarios that are best served by talking to a person with expertise.
- **Provide accurate and consistent communications about updates, changes, and help resources.** These resources should be consistent through the call center, website, and chat feature. Communications should be accessible for students and families, and include help text and video tutorials on FSA's website, as well as comprehensive question-and-answer pages that include specific, varied circumstances.
- **Strengthen counseling guidance.** Counselors are the trusted intermediaries between FSA, colleges, students, and families. They should receive more training, technical assistance, and reliable communication from FSA.

Invest in financial aid

Invest in students from low-income households by funding grants and work-based aid for increased degree completion, greater workforce outcomes, and a stronger economy.



Strengthen the Pell Grant

The federal Pell Grant is an effectively targeted financial aid program; the majority of the approximately 7 million annual Pell Grant recipients have family incomes of under \$40,000. Students in every state use the Pell Grant to pay for school-related expenses at eligible two-year community colleges, career schools, trade schools, online schools, and four-year colleges and universities. Yet today's Pell Grant covers only one third of the average cost of college, reduced from two-thirds in the 1970s. Pell should be strengthened by:

- **Shoring up the Pell Grant** in order to maintain current student eligibility and the maximum award.
- **Doubling the maximum Pell Grant.** The current maximum leaves low-income students to borrow high amounts or, worse yet, not attend or complete their postsecondary education.
- **Indexing the Pell Grant** to the rate of inflation.
- **Extending Pell Grant eligibility** to students from low-income backgrounds who are DACA/TPS recipients or those meeting similar requirements to be eligible for federal financial aid.



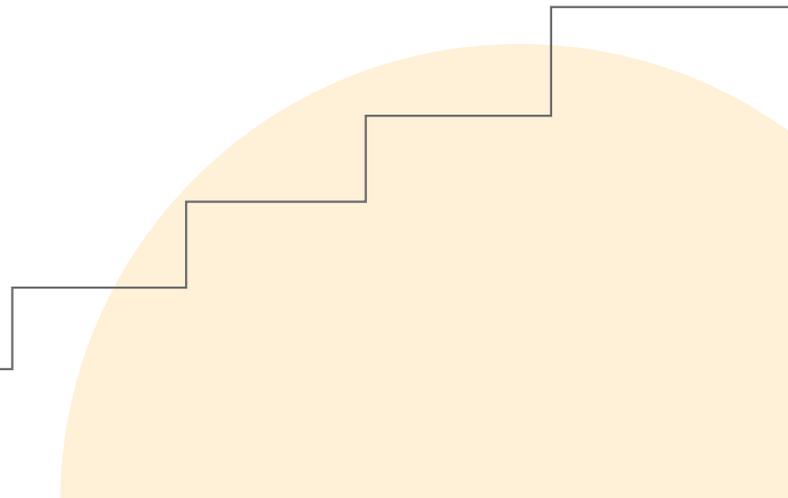
Create more fair access to Federal Work-Study

Federal Work-Study (FWS) provides work experience while contributing to the cost of college. Congress should make the program work better for low- and moderate-income students, and update the FWS formula to allocate funding to institutions with more higher-need students.



Maintain the Campus-Based Financial Aid Programs

The Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) programs are critical to providing aid to our country's low and middle income students.



Make financial aid communications standardized and transparent

Colleges provide accepted students with financial aid offers showing how much school will cost and the financial aid for which they are eligible. However, unlike other consumer financial products like mortgages and auto loans, there are no consistent standards for financial aid communications. uAspire sees firsthand how inconsistent financial aid offers are harmful to low-income students, who generally cannot go to college without financial aid. In some cases, due to unclear information, students and their families think they can enroll without debt, when in fact a loan has been communicated misleadingly as “aid.” Students can face unanticipated costs and may drop out of school if they are unable to cover them.



Standardize financial aid offers

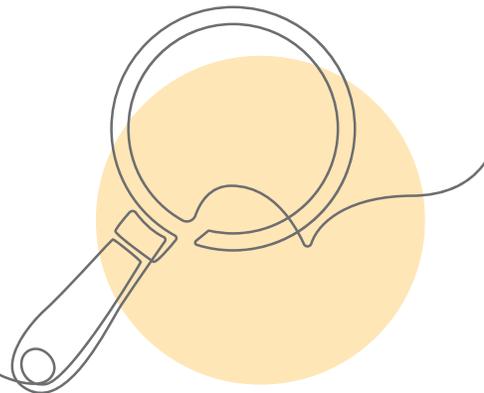
Congress should improve financial aid offer transparency by passing the bipartisan *Understanding the True Cost of College Act*. This would require a uniform financial aid offer developed through consumer testing with students and families, the financial aid community, student service members and veterans, and college access professionals, among others. UTCCA would require financial aid offers to include:

- The full cost of attendance, differentiating between direct costs billed by the college (tuition and fees), and indirect expenses (such as books and transportation), so students can make an informed financial plan.
- Differentiation between grants/scholarships, loans, and federal work-study.
- A consistently calculated, standard, and comparable net price.



Provide guidance on Cost of Attendance calculations

The Department of Education should provide guidance to colleges and universities on best practices for calculating an accurate cost of attendance. This should include providing information about how to use government datasets or design student surveys to accurately estimate housing and transportation specific to their geographic area.



Support degree attainment

Financial aid and higher education funding should be designed to ensure students complete their degrees. Policy should ensure stewardship of federal funds by supporting students struggling academically with academic interventions to ensure they complete their degrees.



Reform Satisfactory Academic Progress

SAP standards include a two-part assessment that requires that students meet minimum Grade Point Average (GPA) and course completion requirements to maintain access to financial aid. Students who fail to meet these standards for two consecutive terms lose eligibility for federal financial aid. SAP should be reformed to support degree attainment by:

- Requiring institutions to proactively communicate with students about their SAP status, both up front so students understand the requirements and through early warning systems if their grades start to falter.
- Expanding the period during which a student can retain financial aid while not making SAP to support them with academic advising to address why their grades fell in the first place.
- Simplify the formulas for calculating SAP.
- Expand the reasons a college can consider a student appealing their SAP designation to keep their financial aid.
- Allow students to access financial aid when returning to college. Students who leave college because they did not meet SAP requirements are not eligible for financial aid when they attempt to return, which is often a barrier to ever re-enrolling. Being able to re-enroll in college with financial aid would make it more likely for students to return.



Meet students' basic needs

College cannot be completed without meeting indirect expenses such as rent, food, books, transportation, and childcare, all of which are authorized components of Cost of Attendance (COA). However, students' financial aid is not always sufficient to cover all costs. These expenses often force students to make untenable decisions between academics or basic needs. 1 in 4 students report food insecurity. Federal policymakers should support degree completion by supporting students to meet basic needs and handle unanticipated emergencies.



Simplify SNAP eligibility

Congress should simplify the SNAP requirements so independent students, parenting students, and those already found eligible for other means-tested programs are eligible to apply for the program.



Coordinate SNAP outreach

57% of currently eligible college students do not access SNAP benefits due to administrative complexity. The Department of Education should maintain cross-agency collaboration and data collection to support outreach to eligible students and technical assistance to colleges in supporting students in accessing basic needs.



Make emergency aid permanent

Federal need-based financial aid programs were not designed to cover unexpected financial setbacks, like car repairs, employer layoffs, or medical emergencies. Emergency aid can support students through these temporary, unanticipated expenses. A permanent federal emergency aid program for under-resourced campuses would enable students to complete their education.

