

Recommendations for Phase 4 Covid-19 Response

Part 1 - April 7, 2020

NCAN thanks Congress for its recognition of the specific and unique challenges facing prospective and current college students during this national crisis through passage of the Coronavirus Aid, Relief, and Economic Stabilization (CARES) Act. While the supports provided in this law are still coming to fruition, NCAN respectfully requests the consideration of the following items for the next phase of relief.

1) Automatic FAFSA renewal for returning students

FAFSA renewal rates are down for high school seniors and are dropping even faster for returning students. Selecting a date for auto-renewal for returning college students would allow institutions to provide these students with aid packages and prompt them to have a conversation with the financial aid office if their financial circumstances have changed. Otherwise, many students may not return because they did not complete the FAFSA due to being focused on daily survival during the epidemic.

2) A permanent Pell maximum award increase

The scheduled Pell increase for the maximum award from \$6195 to \$6345 for AY20-21 will cover a regular inflationary adjustment. However, given the likelihood that state budgets will fall short given falling tax revenue and rising expenses in Medicaid, it is likely states will cut their higher education budgets. The Federal government should support low-income students, who will rise in numbers due to the current job loss, through both Pell Grant investment and encouraging states in their investment (below). NCAN suggests increasing the Pell Grant award, which will support students in all states and allow more moderate/middle income students to receive at least some grant support for higher education.

3) Increase funding for the Education Stabilization Fund (ESF)

The initial investment in the ESF is well designed, focusing on Pell Grant enrollment and dividing the funds between K12 and higher education. However, it allows states to meet the Maintenance of Effort (MOE) on total investment. This could allow states to shortchange higher education to fund K12. This would be shortsighted policy that the federal government should discourage by separating the K12 and higher education MOEs.

Additional funding to the governor's emergency education relief grant fund should be required to be used toward state need-based aid investment.

Additional funding to the governor's emergency education relief grant fund should be targeted toward community colleges which will need to expand their capacity for an anticipated surge in enrollment due to students needing more affordable higher education options and due to newly unemployed individuals seeking new skills.

4) An increase in Supplementary Educational Opportunity Grant (SEOG) funding to institutions for AY20-21

The federal government should increase investment in the SEOG through additional funding (over the currently allocated amount) for institutions based on Pell Grant enrollment. This will provide institutions with more flexibility to support students with need, particularly unexpected need, for AY20-21.

5) Support DACA and Undocumented Students

Ensure that any and all new emergency aid funds are available to DACA and undocumented students who may be struggling with food and housing insecurity.

6) Increase AmeriCorps Funding and Allow for a Third Year of Service

Increase funding to allow AmeriCorps Volunteers to provide for additional numbers of Volunteers next year. This would both provide jobs and additional services as needs will rise.

Allow Volunteers already serving to continue to serve for a third year and receive wages for that time. While the flexibility to pause their service and continue following the pandemic is appreciated, AmeriCorps volunteers for education non-profits serve based on an academic year. It would be highly disruptive to have second year volunteers pause their time now, continue in the fall, and leave mid-year.

7) FUTURE Act Technical Changes Thank You

Thank you for these important technical changes to the FUTURE Act. These specific changes should not be revisited in any phase 4 COVID-19 response legislation.