On behalf of the National College Attainment Network (NCAN), a membership association dedicated to closing equity gaps in postsecondary attainment for all students, we write to provide recommendations for actions to prioritize in the first 100 days of a second term to address the unique challenges higher education faces from the ongoing pandemic, as well as recommendations for actions to reform higher education.

With hundreds of organizational members serving more than 2 million students annually in every U.S. state, NCAN advances programs, policies, and systems change that give students the support they need to apply to, enter, and succeed in postsecondary education. NCAN members prove that, with the right guidance, preparation, and financial aid, students from low-income backgrounds, students of color, and first-generation college-goers can complete higher education at a high rate.

NCAN members know that low-income students who apply for financial aid and receive federal grants are much more likely to enroll in and complete postsecondary education. But to fully close the attainment gap between students from low-income families and their upper-income peers, we need equitable, practical solutions to make higher education more accessible and affordable.

American voters agree these problems are key issues to be addressed, with 86% saying it is important for Congress to tackle the cost of college. The next four years represents an unprecedented opportunity to respond to the complexities of closing equity gaps in higher education, and in turn to help to rectify the current economic damage resulting from the novel coronavirus pandemic. To do so, we urge the President to focus on issues of college access, affordability, and attainment, paying particular attention to racial equity and how students of color are impacted.

In the short term, our nation must conquer the challenges of the novel coronavirus pandemic and the related economic downturn. In the long-term, we already know that our nation needs 60% of adults to hold a high-quality degree or credential by 2025 to ensure a well-educated workforce that is prepared to take on the jobs of tomorrow. Filling these jobs benefits both the individual and society, particularly when the gap in unemployment rates between black and white workers is at a five-year high.

College graduates earn significantly more over their lifetime than those with only a high school education. In addition to higher future earnings, college graduates have lower unemployment rates. Individuals without a college degree were most likely to be laid off during the Great Recession and early surveys show the trend is the same during the current economic
downtown. College degree attainment is essential to turning around the economic fortunes of many low-income individuals in this country. However, overwhelmingly, the cost of college is driving individuals away from pursuing postsecondary education.

Students who do manage to overcome their concerns about debt and choose to pursue higher education subsequently face barriers to accessing student aid. Students who seek federal financial aid to pay for college face a financial aid application form of over 100 questions and the prospect – nearly 1 in 2 for Pell grant recipients – of going through a tedious process to confirm the accuracy of the information they submit. Once a student gets through the verification process, they encounter a confusing web of college aid offers. These aid offers are filled with jargon, which can unintentionally mislead students about whether aid has to be repaid (grants vs. loans), and what is the true, complete cost to attend a school.

Students from low-income backgrounds who complete the verification process are faced with the historically-low purchasing power of Pell Grants, which now covers less than 30% of a public college bachelor’s degree (less than the cost of tuition and fees) compared to the over 75% which Pell Grants covered in the late 1970s. Further, surveys show that students do not understand the terms of the loans they are taking out or know how much debt they’ve accrued. And most alarmingly, students of color have higher student debt levels and are more likely to default on their loans.

We welcome the opportunity to discuss any of these recommendations with you or to connect you with students and families and our advisers working with them around the country.

For more information, please contact: Carrie Warick, Director of Policy and Advocacy, NCAN, at 202-347-4848 ext. 203, WarickC@ncan.org or @CarrieWarick on Twitter.
Recommendations for Immediate Administrative Actions

FAFSA Verification – Limit burdensome verification process to certain percentage

Current ED regulations require the verification of the information submitted by a portion of FAFSA filers. This audit-like process currently affects up to 22% of all aid applicants, but at some institutions up to 70% of students may be flagged for verification. Unfortunately, these verification requirements create significant barriers to continued enrollment by Pell-eligible students. Complications are worse when students have parents who do not file tax returns or are undocumented. Roughly half of all filers eligible for a Pell Grant are flagged for verification (contrast this with the fact that the IRS audits less than 1% of all tax filers with income up to $500,000). According to NCAN’s calculations, as many as 1 in 4 Pell-eligible applicants who are flagged for verification do not complete the process, denying them the financial benefit of a Pell Grant. Further, over 70% of students who completed verification saw no change in their EFC. That number jumps to 93% for students who filed the FAFSA and received an auto-zero EFC designation.

NCAN recommends that no more than 15% of FAFSA filers be flagged for verification and that those who are selected are targeted among filers with characteristics historically shown to have the biggest shifts in EFC. In particular, filers who qualify for an auto-zero EFC should be verified at much lower rates since more than 9 out of 10 of those filers have an increase in EFC after verification. This commonsense limit would provide a sufficient sample size while also ensuring that both an institution and its overall student body are not overwhelmed by the logistics of attesting to the validity of their financial situation.

Support All Our Students, including DACA/TPS/Undocumented Students

NCAN believes students of all immigration statuses, including those participating in or eligible for DACA, deserve support in their pursuit of higher education. This includes ensuring they are eligible for any additional COVID relief support as well as eligibility for federal student aid programs (discussed below).

While courts across the country have questioned determinations made by Education Secretary Devos to deny these students aid, NCAN strongly recommends the Administration reverse these determinations and implement this provision of the CARES Act as Congress intended. These students may still struggle with food and housing insecurity and should receive the same support as their documented peers.
Continue No Payments/No Interest/No Involuntary Collections on Federal Student Loans until Sept 2021

Given the continued high unemployment and the particularly devastating economic effects on recent college graduates, NCAN recommends extending the current “no payment, no interest” policy for federal student loan borrowers, as it will provide relief during a time of instability. This provision should be extended again on Jan 1, 2021, following the expiration of the current Executive Order.

Allow More Postsecondary Students to participate in SNAP

NCAN recommends the USDA Food and Nutrition Service (FNS) grant state waiver requests to permit college students who previously were eligible for SNAP but lost their eligibility due to COVID-19-related job loss to remain eligible for SNAP benefits. These waivers should also allow recipients to receive the maximum for their family size while the COVID crisis continues.

FAFSA Simplification

While simplifying the Free Application for Federal Student Aid (FAFSA) will require further work with Congress (and we provide recommendations for doing so in the relevant section below) the Administration can play a crucial role in streamlining FAFSA via implementation.

The change in the FUTURE Act that allows data sharing between FSA and the IRS is the foundation of FAFSA simplification and proper implementation must be a focus of both the Secretaries of Education and Treasury. NCAN recommends building on this momentum for data sharing across additional agencies, particularly to verify means-tested benefits, which will eliminate the need for applicants to supply income and other information to the government multiple times.
Recommendations on Budget Priorities and COVID-19 Relief to Assist Postsecondary Students

**Double the Pell Grant retroactively for Spring 2021 and for Fall 2021**

The Pell increase for the maximum award from $6,195 to $6,345 for AY20-21 will cover a regular inflationary adjustment. However, given the likelihood that state budgets will fall short given reduced tax revenue and rising expenses in Medicaid, states will likely cut their funding for higher education. Lower state investment will make college even more unaffordable during a time of economic turmoil. Unfortunately, NCAN’s Affordability research demonstrates that even before the COVID-19 pandemic began, college was unaffordable for students receiving the average Pell grant award at 75% of public, bachelor’s degrees institutions.

In response to this situation, an immediate investment in the Pell Grant program is needed. NCAN recommends that not only should the size of the award be doubled for those already eligible, there should also be an expansion of eligibility for those currently not Pell-eligible, but still unable to afford college.

**Allow More Postsecondary Students to Receive D-SNAP Assistance**

NCAN recommends that Congress consider adding pandemics to the Disaster SNAP definition to allow FEMA to implement SNAP in those areas declared a disaster, which would allow all recipients to receive the maximum benefit for their family size.
Recommendations for Improving College Access and Affordability in the Upcoming Higher Education Act (HEA) Reauthorization

Pell Grant Investment

While Congress has grown the Pell Grant through a combination of inflationary and other increases in recent years, it is still dramatically short of its historical high in terms of purchasing power. Today, the maximum grant award covers less than 30% of the cost of attending a four-year public institution when at its peak, it covered approximately 75%.

NCAN supports several improvements to the Pell Grant program which, collectively, may be the single most important investment to help first-generation college-goers and students from low-income backgrounds obtain a postsecondary education:

1. **Double the Pell Grant Permanently.** – Any increased level of Pell spending needs to be done permanently. The last big increase to the Pell Grant program done as a part of the American Reinvestment and Recovery Act, only provided sufficient funds for this increase for a two year period. NCAN recommends the purchasing power of the Pell Grant be restored by permanently doubling the award. This ensures that the maximum grant covers 50% of the cost of attendance at a four-year public university.

2. **Index Pell to inflation.** – The 2017-18 award year was the last time HEA required the maximum Pell Grant award to be increased to keep up with the cost of inflation. The expiration of this annual inflationary increase has led to further erosion of the purchasing power of Pell. Once the Pell Grant is doubled, NCAN recommends that it be indexed to inflation to maintain the goal of covering 50% of the cost of attendance at a public university.

3. **Change Pell Grant Eligibility Determination Based on the Federal Poverty Level** – Doubling the Pell Grant without any other changes to the program structure will greatly increase the proportion of students eligible for at least a partial grant. The students with the most need require a Pell Grant at the double the current size. However, Pell eligibility – a status used for eligibility for much other state and institutional aid as well as private scholarships – should be a more thoughtful conversation, separate from the size of the maximum award. For this reason, NCAN recommends that Pell eligibility be tied to the poverty level as determined by family size and whether it is a single-parent household. Students should receive the maximum Pell Grant award up to 200% of the poverty level, and receive a proportionally smaller award until eligibility is completely phased out at 300% of the poverty level. This range should be adjusted for aid recipients who are part of single-parent households: 250 to 350% of the poverty level.
4. **Extend Pell Eligibility to DACA/Dreamers** – All students regardless of their race, ethnicity, or immigration status deserve the opportunity for an affordable higher education. Congress should allow DACA recipients and Dreamers to participate in the Pell Grant program if they are otherwise eligible upon FAFSA completion.

5. **Thoughtfully expand Pell to cover short-term and workforce-based credentials.** – Some students may need a postsecondary credential in addition to or instead of a college degree to obtain skills or training for career advancement. These credentials, often requiring less than 600 hours of instruction, are not presently covered by Pell Grants. NCAN recommends a thoughtful expansion of Pell to cover these short-term credentials. Any expansion of Pell Grant eligibility to cover these short-term credentials must require that programs culminate with high-value, stackable credentials that enable individuals to obtain or improve their employment.

**FAFSA Simplification**

As alluded to above, The Free Application for Federal Student Aid (FAFSA) is a confusing and lengthy form. Only 61% of all high school seniors complete the FAFSA, in part due to this complexity, leaving $24 billion in federal college aid left on the table each year. Students from low-income backgrounds, in particular, have a FAFSA completion rate of barely over 50%. The COVID-19 pandemic has worsened this situation. NCAN recommends a dramatic simplification of the FAFSA as well as the process the U.S. Department of Education (ED) uses to collect information to determine student aid eligibility.

1. **Remove unnecessary questions** - The FAFSA asks unnecessary questions of too many students, with only 1% of filers having an answer other than "$0" to 25% of the questions on the form. NCAN recommends removing the majority of the questions that have a "$0" answer from 99% of applicants.

2. **Auto-zero for Means-Tested Benefits Recipients** – Recipients of means-tested benefits, such as the SNAP program, have already proven to the federal government that their family has a low-income. NCAN recommends that students from families receiving MTBs should be placed into the auto-zero Expected Family Contribution (EFC) category and asked no further financial questions.

3. **Simplify the Pell Eligibility Formula** – Changing Pell eligibility, as discussed previously in the Pell section, to focus specifically on adjusted gross income and family size compared to the poverty level for those not receiving means-tested benefits will greatly reduce the number of questions for all FAFSA filers.
Financial Aid Offers

Financial aid offers from institutions of higher education are often difficult to understand and compare. These offers frequently fail to clearly present the differences between grant and loan aid, accurately display the complete cost of attending an institution, and describe what is involved with receiving aid like federal Work-Study. NCAN recommends the proposals advanced as part of New America and NCAN Member UAspire’s “Decoding the Cost of College” be followed to bring much-needed clarity to this area. Specifically, all financial aid offers should use standard terms and definitions as well as be subject to certain formatting requirements such as separating grants and loans and including a final amount due. This approach will serve students better than a completely standardized form, which institutions could treat as a disclosure requirement that is attached to their “real” aid offer.

Federal-State Partnership

Fewer than 25% of public bachelor’s degree institutions are affordable for the average Pell grant recipient. For this reason, NCAN recommends that the federal government incentivize states to increase their investment in their public systems of higher education by offering matching funding that requires investment in reducing the cost of college. Further, a generous increase in the Pell grant investment must be coupled with this type of state investment so that states don’t see the Pell Grant funding as a reason to further divest, pushing the cost of college disproportionally higher as compared to inflation. This investment must also be designed to respond to the counter-cyclical nature of the cost of higher education, where need is higher during economic downturns.

Student Loan Improvements

Student loans play a considerable role in how college students finance their education today. The impact of borrowing on students’ lives is well documented, particularly those who over borrow and are unable to pay back their loans. Yet students don’t always know how much debt they have accrued or how it will impact their future finances. For this reason, NCAN supports the change to an annual student loan acknowledgment and recommends additional improvements:

- Consumer-tested to ensure effectiveness.
- Executed on a timeline that allows the student to decrease their loan amount for the year.
- Includes financial guidance that the total debt should not surpass the average starting salary for a program of study/intended field of work.
- Includes the cumulative debt for the borrower to date.