

March 6, 2023

The Hope Center for College, Community, and Justice
3440 N. Broad Street
Suite 360
Philadelphia, PA 19140

Re: Standards of Administrative Capability (1840-AD65)

To Whom It May Concern:

An alarming number of students in higher education today are struggling to afford the full price of college. According to The Hope Center's student basic needs survey, three in five college students do not have enough to eat or a safe place to live.¹ Students face a wide range of non-tuition costs, including food, housing, physical and mental health care, child care, transportation, internet connectivity, and more. When students are not able to meet their basic needs, they cannot focus on their coursework and are less likely to complete a degree or credential.

A wide range of evidence confirms that the cost of college and student basic needs insecurity negatively impacts student success and degree attainment. Two recent surveys highlight this impact:

- A 2021 Gallup/Lumina Foundation survey² of students about ongoing risks to their enrollment found consistently high mentions of basic needs insecurity. The most significant factor in students' consideration of stopping out was emotional stress, and basic needs insecurity is a significant contributor to mental health challenges. Cost of attendance was the second highest risk to stopping out for bachelor's degree students (36%) and third highest for associate degree students (31%), behind COVID-19. The cost of the degree/credential program was the most significant factor in respondents' decision not to enroll (54% of respondents), followed by family responsibilities (lack of care for children or sick family) at 38% of respondents.
- A 2021-22 survey of community college students who stopped out, or who aspired to college but did not enroll, also found that cost was a major barrier.³ For stop-outs, the most significant reason was "had to work" (42%) and the second reason was "could no longer afford the program" (34%). Students also report significant difficulties with child and family care.

Our student basic needs survey found that less than half of students experiencing basic needs insecurity applied for public assistance.⁴ Given the extensive challenges facing students, providing them with information about federal public and tax benefits they may qualify for is essential. Within the "standards of administrative capability," we request that the definition of "adequate financial aid counseling" be modernized to include the full range of financial resources available to students.

Institutions of higher education will already have access to Title IV applicants' receipt of federal public and tax benefits under Sec. 483(a)(2)(B)(ii)(XVII) of the *Higher Education Act*, which goes into effect for the 2024-25 award year under the *FAFSA Simplification Act*. These provisions give financial aid

¹ The Hope Center for College, Community, and Justice. (2021, March) [#RealCollege 2021: Basic needs security during the ongoing pandemic](#).

² Gallup and Lumina Foundation. (2022, April). [The State of Higher Education 2022 Report](#).

³ Fishman, R. & Cheche, O. New America Foundation. (2023, February). [Why Didn't the Community College Students Come Back?](#)

⁴ The Hope Center for College, Community, and Justice, *see note 1*. Found at: [Appendices: Table E-34](#).

offices a complete picture of whether students or their families receive programs like the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Medicaid, Affordable Care Act subsidies, and more. It also allows them to provide more targeted information about the programs students may qualify for but are not currently receiving.

It is already permissible for institutions to use data from the FAFSA to provide students with customized outreach about these public and tax benefits, thereby identifying students most likely to qualify. The U.S. Department of Education has issued guidance finding that it is appropriate for institutions to use financial aid data to administer federal public benefit programs.⁵

We also find it appropriate to help financial aid applicants receive information about “professional judgment,” consistent with HEA Sec. 479A(a)(5), going into effect for 2024-25, which requires institutions to make information about professional judgment publicly available. The information should be provided directly to students alongside other pertinent financial aid options. Therefore, our suggested regulatory text is as follows:

34 CFR 668.16 – Standards of administrative capability

(h) Provides adequate financial aid counseling to eligible students who apply for Title IV, HEA program assistance. In determining whether an institution provides adequate counseling, the Secretary considers whether its counseling includes information regarding--

(1) The source and amount of each type of aid offered;

(2) The method by which aid is determined and disbursed, delivered, or applied to a student’s account; and

(3) The rights and responsibilities of the student with respect to enrollment at the institution and receipt of financial aid. This information includes the institution’s refund policy, the requirements for the treatment of title IV, HEA program funds when a student withdraws under § 668.22, its standards of satisfactory progress, **methods by which the student may obtain a professional judgment, and other conditions that may alter the student’s aid package;**

(4) Provides information to applicants for Title IV, HEA program assistance on federal public and tax benefits that can help meet any component of the student’s cost of attendance.

...

Thank you for considering our request.

Sincerely,

Bryce McKibben
Senior Director of Policy and Advocacy
The Hope Center for College, Community, and Justice

⁵ U.S. Department of Education, Office of Federal Student Aid. (2022, January 20). [Dear Colleague: \(GEN-22-02\) Use of FAFSA Data to Administer Federal Programs.](#)