

Educating students beyond high school is essential to America's economic recovery, strength as a democracy, and our ability to compete for talent on the global stage. Yet, as higher education has grown in importance, it has become much more difficult to obtain for many students, particularly those with the fewest financial resources. Federal policy has made it harder on students and families by ignoring the new economics of college.¹ Stagnant incomes for working families, declining state support for higher education, the rise in college prices, and a threadbare social safety net have all made higher education less attainable. Today, most students need substantial financial assistance from federal, state, and institutional sources, even while working, to barely manage the price of college. The pandemic has further exacerbated long-standing disparities in who struggles to get into college, stay enrolled, and graduate.

Federal financial aid has failed to keep up with the rising price of a college degree or credential. The real price of college includes not just tuition and fees but food, housing, child care, health care, transportation, technology, and more.² Asking students to rely on low-wage work, depleted family savings, and ever-increasing levels of debt to finance higher education creates substantial barriers to students' academic success, exacerbates a growing racial wealth gap, and contributes to basic needs insecurity. Public benefits programs, which could help fill in the gaps for students with low incomes, exclude millions of college students through burdensome and often racialized eligibility restrictions. As a result of these policy failures, **three in five college students do not have enough to eat or a stable place to live.**³ Rates of basic needs insecurity are 16 percentage points higher for Black students than their white peers. It is time for structural reforms to secure students' basic needs and allow them to focus on their learning.

The Hope Center for College, Community, and Justice urges the federal government to treat students as humans first by helping them afford higher education. We call for major reforms to financial aid and public benefits to focus on students' basic needs, significant increases in federal funding for public higher education and institutions that serve high percentages of students of color, and more equitable design and implementation of federal financial aid programs.

What is #RealCollege™?

#RealCollege™ is a movement that recognizes students cannot learn if they are distracted by daily struggles to meet their basic needs like food, housing, child care, health care, transportation, and technology. Drawing upon the diverse expertise and experiences of its members, the movement has grown to include a national survey of students' basic needs, an award-winning documentary about the challenges facing students, an annual conference dedicated to exploring student-centered state and federal policy changes and promising institutional practices, and an array of solutions-focused collaborations with colleges, community-based organizations, and other partners throughout the country. The #RealCollege movement encourages policymakers, institutions of higher education, students, faculty, staff, researchers, advocates, and others to join in the call for federal policies that support students.

Recognizing #RealCollege Students' Basic Needs

Students' basic needs "security" refers to their ability to cover essential costs of living and going to college beyond just tuition and fees. To open the doors to a college degree or credential, we must first ensure that students' basic needs are met. Unfortunately, federal policy often undermines students' basic needs security. Financial aid is insufficient for students and leaves them with significant "unmet need."⁴ The federal poverty guidelines used for public benefits and many financial aid programs is severely outdated.⁵ Complex bureaucracies and restrictive eligibility rules in public benefits and financial aid programs create substantial administrative burdens on students and their families.⁶

Public benefits should complement higher education funding streams and reduce basic needs insecurity for students. For example, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Care Development Fund (CCDF), Housing & Urban Development (HUD) public and assisted housing programs, and the Low-Income Housing Tax Credit (LIHTC) could all contribute to college success. However, these programs currently contain work requirements and other restrictions that exclude many college students or force them to turn their attention away from school, making it harder to complete college. Too few students know about these programs. Both Congress and the Administration must play a key role in making college more affordable and meeting students' basic needs.

Priorities for the 117th Congress

Remove student work requirements from SNAP.

Congress should remove the 20-hour per week work requirement in SNAP that forces students to turn their attention away from their coursework. The restriction creates a significant administrative burden, confuses students, and contributes to food insecurity. The Government Accountability Office estimates that 57% of students who are likely food insecure and potentially income-eligible for SNAP (representing more than 1.8 million students) do not receive benefits.⁷ Congress should hold hearings on student food insecurity and introduce legislation needed to eliminate the SNAP student work rule for the 2023 reauthorization of the farm bill. The **Student Food Security Act** and **EATS Act** serve as models for providing essential SNAP flexibility for students.

Remove student eligibility restrictions from housing supports, TANF, CCDF, and other public benefits.

Since 2005, HUD public and assisted housing programs and the LIHTC have had severe restrictions that prevent nearly all college students under age 24 from receiving support because of the highly flawed and outdated assumption that all college students have access to on-campus housing.⁸

Additionally, financial aid received by students for non-tuition costs is generally counted as “income” for determining a family’s HUD program eligibility, which significantly and unfairly disincentivizes students in supported families from seeking higher education. Congress should remove these restrictions in HUD programs and exclude all financial aid from being counted as income. Congress should also remove the substantial restrictions for students in the TANF program, such as work requirements, time limits, and program-of-study limitations, which all limit the pursuit of education that leads to family-supporting jobs. CCDF should be updated to ensure that all states provide parenting students with low incomes access to subsidies to afford child care.

 **Maintain pandemic flexibilities for SNAP and other public benefits.**

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), 2021 has temporarily waived the SNAP work requirements for students who have a \$0 expected family contribution (EFC) or are eligible for federal work-study, thereby allowing up to 3 million students with low incomes and their children or households to receive up to \$700 per month for food.⁹ Because the crisis of student basic needs insecurity predated the pandemic, Congress must maintain these SNAP flexibilities from CRRSAA until the farm bill can be reauthorized in 2023.

 **Support parenting students by increasing funding for child care and restoring the monthly Child Tax Credit.**

More than one in five undergraduates, or more than 4 million students, are raising children while in college. Most parenting students experience food and/or housing insecurity.¹⁰ Parenting students of color face disproportionate challenges.¹¹ Congress should dramatically increase funding for programs like Child Care Access Means Parents in School (CCAMPIS)—the only federal program dedicated to helping parenting students. Additional funding is also needed for CCDF, Head Start, and Early Head Start. The House-passed **Build Back Better Act** would also substantially lower child care costs and reinstate the monthly Child Tax Credit, keeping millions of children out of poverty. Congress should pursue these investments while ensuring that students remain fully eligible for all child care support and tax credits without harmful work requirements. The **CCAMPIS Reauthorization Act** would also make needed improvements to the CCAMPIS program.

 **Improve student mental health with investments in campus resources and connecting students to public benefits.**

The pandemic introduced widespread sources of stress for students including social isolation, displacement from housing, rapid changes in learning modality, and challenges finding child care. Students who are experiencing basic needs insecurity are also more likely to report experiencing poor physical health, symptoms of depression, and perceptions of higher stress. Our data show that one in three students report experiencing depression, and another third experience anxiety.¹² These findings are consistent with the nationally recognized Healthy Minds Survey, which finds that nearly half of all college students are struggling with clinically-significant anxiety or depression, but only 40% of those students have had mental health counseling and/or therapy in the past year.¹³ Congress should robustly fund and update the Garrett Lee Smith Campus Suicide Prevention Grant program, require colleges to provide information to their students on affordable mental health resources, and ensure that struggling students are referred to public benefits.

✓ **Further simplify and expand access to federal financial aid.**

Congress passed the bipartisan FUTURE Act and FAFSA Simplification Act in 2019 and 2020, respectively. These laws will simplify the federal financial aid process for many students in the coming years. Students not in contact with their parents, students experiencing homelessness, former foster youth, and single parents all stand to benefit from streamlined financial aid processes. Congress should continue to remove eligibility restrictions from financial aid programs and simplify the FAFSA process. The House-passed **Build Back Better Act** would allow students receiving means-tested benefits to automatically qualify for the maximum Pell Grant and provide financial aid to Dreamers. The **Pell Grant Preservation and Expansion Act** would substantially increase the maximum Pell Grant, allowing students more time to use their federal aid, and reform inequitable Satisfactory Academic Progress (SAP) policies.

✓ **Create and fund programs for institutions of higher education to address students' basic needs insecurity.**

Colleges and universities need additional support and guidance to implement evidence-based interventions to meet students' basic needs. For example, the House-passed **Build Back Better Act's** Retention and Completion Grants would support states and colleges in connecting students to public benefits and providing direct services. The **BASIC Act** would also authorize a program for planning and implementation grants for colleges to provide food, housing, and other direct services to students. Congress should also increase funding for the newly created Basic Needs for Postsecondary Students Program, which provides competitive funding for community colleges, Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and other Minority-Serving Institutions (MSIs) to build programs that address basic needs insecurity. The **Food for Thought Act** would create a pilot within the National School Lunch Program to allow community colleges to serve free meals to students.

✓ **Provide support to students experiencing homelessness, or who are at-risk of becoming homeless, and former foster youth.**

Students who are experiencing homelessness or who are at risk of becoming homeless are more likely to stop out of college. Former foster youth also struggle to afford college without family resources, with as few as 14% of former foster youth being able to complete college.¹⁴ Congress should pass the **Higher Education Access and Success for Homeless and Foster Youth Act** and **Fostering Success in Higher Education Act** to simplify the financial aid process for these students and ensure they receive in-state tuition. Congress should also provide additional funding to the Emergency Rental Assistance Program (ERAP) and allow students with low incomes to access all HUD public and assisted housing programs and the LIHTC.

✓ **Make permanent federal emergency aid for students.**

Three COVID-19 relief measures, including the American Rescue Plan Act, provided more than \$30 billion for emergency aid for students in 2020-2021 to help them survive the pandemic. These funds are quickly running out and will be largely exhausted in 2022.

Student basic needs insecurity and the need for timely, flexible emergency aid predated the pandemic. So, Congress should pass the **Emergency Grant Aid for College Students Act**, which would establish a permanent emergency aid program for students—and robustly fund it. Congress could also make the Supplemental Educational Opportunity Grant (SEOG) into a permanent emergency aid program, as it is temporarily allowed to function under the CARES Act, and should reform the inequitable allocation formula for SEOG and Federal Work-Study to support the colleges where students with low incomes enroll. Federal emergency aid must remain open to students historically excluded from federal financial aid, such as Dreamers and students in dual enrollment programs.

✓ **Create a federal-state partnership to dramatically enhance college affordability and ensure adequate and equitable funding for public colleges.**

Congress should create a federal partnership with states to waive tuition and fees at community colleges and provide at least two years of tuition-free education beyond high school for students at HBCUs, TCUs, and other MSIs. A federal-state partnership will encourage states to reinvest in public higher education and financial aid to benefit all students. Congress should pass the **America's College Promise Act** to achieve this important goal. Where possible, funding to states or institutions should use formulas that prioritize part-time students. Federal funding formulas have often relied on full-time equivalent (FTE) enrollment, which inaccurately assumes that part-time students require fewer resources to educate or that they require lower levels of basic needs support.¹⁵ Congress should ensure that direct funding to states or institutions uses a formula based on total headcount, and not FTEs, to reduce inequities for students and colleges.

✓ **Expand funding for HBCUs, TCUs, and MSIs.**

Congress should significantly expand permanent funding for HBCUs, TCUs, and MSIs through Title III and V programs, and allow these programs to support financial aid to students, as included in the House-passed **Build Back Better Act**. More Title III and V funding is urgently needed to improve equity in higher education and support students of color.

✓ **Stop taxing Pell Grants and other financial aid, and reform federal education tax benefits.**

Any student who gets a Pell Grant is taxed on the amount that exceeds tuition and fees—so the portion they use to cover their basic needs like food and housing can trigger a surprise tax bill. This is particularly harmful to community college students, where unmet need is often high due to costs other than tuition and fees. Congress should pass the **Tax-Free Pell Grant Act**, which was also included in the House-passed **Build Back Better Act**. Congress should also remove tax liability from state and institutional financial aid, scholarships, and any other grant aid. Further, Congress should introduce legislation to reform and enhance education tax benefits like the American Opportunity Tax Credit and Lifetime Learning Credit, which are rarely claimed by students with low incomes and disproportionately favor wealthier tax filers.

PRIORITIES FOR THE BIDEN-HARRIS ADMINISTRATION

Formalize partnerships between federal agencies to proactively notify students of public benefits.

The Administration should establish data-sharing agreements between the U.S. Department of Education (ED) and all federal agencies that administer public benefits programs to identify students who could be eligible for support, especially in programs where restrictions are complicated or student take-up is low, such as SNAP, tax benefits, and the Affordable Connectivity Program. The agency has helpfully reminded institutions of their ability to leverage FAFSA data to communicate the availability of public benefits and help students verify their eligibility.¹⁶ Additionally, ED should proactively, automatically, and regularly notify all students who apply for federal financial aid of their potential eligibility for public benefits programs, as authorized by the FAFSA Simplification Act.

Pursue a robust rulemaking agenda that leverages improvements to meet students' basic needs.

As ED conducts negotiated rulemaking throughout 2022, it must ensure that students' basic needs are considered in all aspects of affordability and accountability improvements. Student loan borrowers deserve substantial relief, as discharging debt ensures students and their families can return to school, claim public benefits, and avoid harmful wage garnishment. Accountability rules should ensure students are protected from predatory programs that exhaust their financial aid, increase student debt, and exacerbate racial wealth gaps. During rulemaking, ED should ensure "administrative capability" regulations, and any other regulations governing financial aid processes, require institutions to provide information on public benefits and emergency aid programs, and make options for students to appeal their financial aid package transparent and easily accessible.

Reform Satisfactory Academic Progress (SAP).

Students are generally stripped of federal financial aid, and often state and institutional aid, if their academic performance falls below the SAP thresholds: Grade Point Average (GPA) below 2.0 or a course completion rate below 67%. SAP standards take away financial aid from students by imposing merit-like requirements on need-based aid, and the negative impact falls most heavily on Black, Latinx, and Native American students, as well as those involved in the foster care system.¹⁷ Students may experience academic difficulties or take fewer classes simply because they struggle with basic needs insecurity, eventually failing SAP standards and rendering them ineligible for the very financial aid they need to stay enrolled in college. It is important for ED to reform SAP by issuing guidance and regulations that ensure that students who stop out can have their financial aid eligibility restored no later than two years after leaving, establish more flexibility for students to appeal SAP triggers based on extenuating circumstances, and enhance the amount of information and warnings students receive about SAP requirements before they lose aid.

 **Implement the FAFSA Simplification Act with #RealCollege students in mind.**


As ED works to implement the FAFSA Simplification Act, it must examine all opportunities to support students' basic needs security. For example, ED should conduct rulemaking on "cost of attendance" to ensure colleges' estimates of food, housing, textbooks, child care, and other costs accurately reflect the amount students pay. Additionally, ED should help ensure the use of the negative Student Aid Index is used to leverage additional federal, state, and institutional aid for students most in need of support. Finally, ED should work with states to encourage them to reform their financial aid programs in equitable ways that support non-tuition costs at the same time those states make updates to their state-based financial aid programs and eligibility rules.

 **Provide substantial relief to student loan borrowers.**

The Administration's pause on student loan payments has been a lifeline to current students who struggle with basic needs and a major investment in their college affordability. The pause also helps recent students who have had to temporarily stop out of college and borrowers supporting their families. Recent polling indicates that 65% of borrowers expect to make "major changes to saving or spending" if payments resume.¹⁸ The Administration should continue the pause on student loan payments until it can implement major reforms to the broken student loan system and provide a substantial amount of debt cancellation. The Administration should also automatically remove all borrowers from default status and continue to halt all collections of tax benefits like the Child Tax Credit and Earned Income Tax Credit for borrowers who enter default.

 **Increase student enrollment in SNAP through outreach and guidance.**

Given the underutilization of SNAP by college students, the U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) should issue guidance to states to ensure all current exemptions to the 20-hour student work requirement are being fully and routinely utilized. This guidance should emphasize the option for states to designate community colleges and four-year college programs that are career-focused, or in paths resulting in high employability after graduation, as similar to SNAP Employment & Training and therefore exempt from the work requirement.¹⁹

 **Provide additional housing support to students experiencing homelessness or who are at-risk of homelessness.**

The U.S. Department of Housing and Urban Development should explore opportunities to encourage both Moving to Work (MTW) and non-MTW public housing authorities to partner with community colleges, HBCUs, TCUs, and MSIs to provide housing support to students experiencing homelessness or who are at-risk of homelessness. These efforts should implement best practices learned from previous evaluations of college housing initiatives, including the need to reduce application barriers, partner with local nonprofits that have expertise in housing policies, and combat discrimination against voucher holders.²⁰

Reimagining Higher Education: Serving #RealCollege Students

While these priorities reflect the Hope Center’s planned federal policy work for 2022, it is time to reimagine higher education. The stark racial and wealth inequities that mark this nation call for far more than technocratic tweaks to federal policy. The Higher Education Act of 1965 anticipated a very different higher education landscape than the one we have now. Outdated and racialized assumptions about the circumstances facing #RealCollege students, combined with inequitable funding of public colleges, HBCUs, TCUs, and MSIs, has created a perfect storm that is contributing to basic needs insecurity and growing levels of student debt.²¹

It is time to build a new approach to higher education and the social safety net that embraces the students we can support, rather than the students some wish we had. Creating a robust ecosystem of student-focused funding, a state-federal partnership, accessible public benefits, and flexible financial aid that works for all students will help secure students’ basic needs, reflect the changing demographics of students, reduce wealth and racial inequality, and promote college attainment.

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