Building a Comprehensive Student Aid System

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Building comprehensive supports through benefits access

• Build a comprehensive student aid system
  – Can reduce unmet need
    • Prevent unnecessary student borrowing
  – Can decrease student hunger and housing insecurity
  – Can increase financial stability of adults and youth
  – Can help students care for their families

• Can compliment existing funding streams

• Challenge: Do our public benefits and tax credit policies support our national completion goals?
Low-Income Parent Eligibility

Likely to receive (> 80%)
• EITC
• Health insurance for kids

Probably receive (50-80%)
• Health insurance for parents
• SNAP (Food Stamps) and WIC

Might receive (<50%)
• TANF, child care subsidies, housing subsidies
Low-Income Childless Adults

Eligibility (no disability)

Probably receive (50-80%)
- EITC
  - Only eligible if aged 25-64
  - max of $496 per year
- SNAP (Food Stamps)

Might receive (<50%)
- Housing subsidies
- Public health insurance (especially since Medicaid expansion)
Why Don’t More Students Access Benefits?

• Lack of information, misinformation about eligibility
• Applying is often time consuming, frustrating
• Stigma and other social/cultural barriers
• Most importantly, higher education and public benefits policies aren’t well aligned
Governance Challenges

• Administration of public benefits programs spread across departments and levels of government
• Split decision making among levels is common across a range of programs
• This makes it difficult to align anti-poverty and college completion policies
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Institutional financial aid offices have authority to allocate limited funding among eligible students.

Examples of state discretion: states approve programs that increase employability; state can average work hours across a month.

States have flexibility in whether postsecondary is an eligible expense.

For the most part, TANF is a block grant to states; however, there are federal limitations such as the type and length of education that will count toward federal work requirements.

Public Housing Authorities have some discretion regarding who is eligible for housing.
College as a Supported Activity

• SNAP
  – If enrolled more than half time must meet exceptions, one of which includes work

• Housing
  – Section 8: A student may receive only while living separately if both the student and student’s parents are eligible
    • Does not apply to students who are vets, married, have a child, or are 24 years old or older
    • Adult students who live with their parents are considered dependents only when they enroll full time
  – Public housing: Local PHAs definition of eligible “families” sometimes excludes or deprioritizes full-time students
Treatment of Public Benefits by Federal Financial Aid

- Most benefits are not counted as income for purposes of financial aid
  - Unemployment Insurance benefits counted, but can be disregarded by financial aid administrator

- Receipt of TANF, SNAP, WIC, free or reduced price school lunches, and SSI (Medicaid soon) triggers the simplified EFC formula
  - Assets are not considered
  - Receiving these benefits plus family income below $25k threshold triggers automatic zero EFC & max Pell Grant
Treatment of Student Aid by Public Benefits Programs

• Federal financial aid largely not treated as income in determining eligibility for benefits

• Several programs count as income any assistance that goes toward living expenses (indirect educational expenses)
  – SNAP, housing subsidies, and Medicaid
  – Making Pell Grants non-taxable would solve much of this problem
How are Colleges Helping Students Access Public Benefits?

• **Inform** students about the existence of programs
• **Help** students understand how to apply
• **Screen** students to determine if they are eligible and assist them to apply
• **Assist** students to provide needed documentation and understand any barriers to eligibility
• **Follow-up** with benefits programs/local offices to troubleshoot on behalf of individual students
Best Practices from Benefits Access for College Completion

• Benefits access services should be provided through a highly visible and well-known centralized hub with knowledgeable staff.

• Colleges should implement models that require students to “opt out” of benefits services by connecting initial pre-screening steps to existing student support services such as advising and financial aid.

• Leadership at multiple levels and across departments needs to recognize benefits access services as an institution-wide priority and enact policies and practices necessary to support the institutionalization of benefits access services on their campuses.

• Bundling multiple benefits can have a positive impact on students’ academic progress.
More Resources


• Benefits Access for College Completion: Lessons Learned from a Community College Initiative to Help Low-Income Students (coming in mid-July 2016; look on the CLASP website at [www.clasp.org](http://www.clasp.org))

• Sign up for updates from CLASP and/or CLASP’s Center for Postsecondary and Economic Success