Federal Policies to Improve Student Parent Success: An Update from Washington, 2015 Student Parent Support Symposium
May 29, 2015

Katherine Saunders, Policy Analyst
About CLASP

The Center for Law and Social Policy (CLASP) develops and advocates for policies that improve the lives of low-income people.

– Child Care & Early Education
– Youth
– Postsecondary education and workforce development
– Income and Work Supports
– Job Quality & Poverty
Center for Postsecondary and Economic Success

• CLASP’s Center for Postsecondary and Economic Success seeks to improve policy, increase investment, and strengthen political will to increase the number of low-income adults and youth who earn the postsecondary credentials essential to open doors to good jobs, career advancement, and economic mobility.
Students Parents: A Growing Proportion of College Students

- 38% of all students are enrolled in community colleges.
- 50% are low-income with an income below $30,000.
- 51% work more than 20 hours a week.
- 26% are parents; 15% are single parents.
- 51% are independent and 54% have at least one dependent.
- 44% are students of color.
Students Parents: A Growing Proportion of College Students

• Independent community college students have significant unmet need:
  – As high as $8,109 for full-time students.
  – As high as $3,559 for part-time students.

• Unmet need may be even higher for the 44 percent of community college students who do not complete the FAFSA.
Today’s Overview

Public Benefits

• Supplemental Nutrition Assistance Program (SNAP)
• Temporary Assistance for Needy Families (TANF)
• Medicaid
• Child Care

Federal Student Aid

– Ability to Benefit (ATB)
– Pell Grants
– Student loans & repayment plans
– Education Tax Credits

Workforce Innovation Opportunity Act (WIOA)
SNAP

- Supplemental Nutrition Assistance Program (SNAP) helps low-income families pay for food; amount determined by income, household size, and expenses.

<table>
<thead>
<tr>
<th>Bad</th>
<th>Good</th>
</tr>
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</table>
| • $8.6 billion in cuts to SNAP over 10 years  
• 850,000 households may see a decrease of approximately $90/month in SNAP | • Did not include harsh provisions from House passed Bill  
• $200 million for SNAP E&T Pilots |
SNAP E&T Pilots – What are they?

- $200 million in competitive grants for up to 10 states for 3 years
- Test innovative strategies

1. California
2. Delaware
3. Georgia
4. Illinois
5. Kansas

1. Kentucky
2. Mississippi
3. Virginia
4. Vermont
5. Washington
SNAP E&T Pilots – Opportunities

• Can provide education and training, and wrap around services, such as child care, transportation, tutoring
• Allows for subsidized employment
• Can build new partnerships between community colleges, workforce agencies, community based organizations, and SNAP agencies.
SNAP and College Students

Reasons a student might be eligible:

– Age or disability status
– Parent or caregiver
– Employed at least 20 hours per week or receiving any work-study funds
– Receiving TANF benefits
– Enrolled in certain programs aimed at employment
Temporary Assistance for Needy Families (TANF)

• Extended through September 30, 2015

Table 1
States That Have Raised TANF Benefits in Past Year (monthly benefit for a family of three)

<table>
<thead>
<tr>
<th>State</th>
<th>July 2014 Benefits</th>
<th>Increase since July 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$670</td>
<td>$32</td>
</tr>
<tr>
<td>Connecticut</td>
<td>698</td>
<td>10</td>
</tr>
<tr>
<td>Maryland</td>
<td>624</td>
<td>48</td>
</tr>
<tr>
<td>Ohio</td>
<td>465</td>
<td>7</td>
</tr>
<tr>
<td>South Carolina</td>
<td>274</td>
<td>51</td>
</tr>
<tr>
<td>South Dakota</td>
<td>599</td>
<td>34</td>
</tr>
<tr>
<td>Texas</td>
<td>277</td>
<td>6</td>
</tr>
<tr>
<td>Wyoming</td>
<td>635</td>
<td>19</td>
</tr>
</tbody>
</table>

Note: TANF = Temporary Assistance for Needy Families
TANF’s Role as a Safety Net Has Declined Sharply Over Time

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty

1979: 82
1996 (enactment of TANF): 68
2012: 25

Source: CBPP analysis of poverty data from the Current Population Survey and AFDC/TANF caseload data from Health and Human Services and (since 2006) caseload data collected by CBPP from state agencies.

Center on Budget and Policy Priorities | cbpp.org
Expanded Medicaid Eligibility
(\textit{limited to participating states})

- Currently eligible:
  - Varies by state
  - Often limited to children, pregnant women, very low income parents, and disabled citizens

- \textit{Newly} eligible
  - All adults with annual incomes at or below the following thresholds:
    - ~$15,000 for an individual
    - ~$31,000 for a family of four
Current Status of State Medicaid Expansions Decisions, 2015

Source: http://www.advisory.com/dailybriefing/resources/primers/medicaidmap#lightbox/1/
Affordable Care Act and College Students

• New options available to students as of January 1, 2014:
  – Extended dependent coverage until age 26;
  – Expanded eligibility for Medicaid in some states;
  – Tax credits;
  – Improved student health insurance plans; and
  – Catastrophic plans
• Individuals will pay a penalty if not insured.
How do students apply?

Ways to apply:

– Online portal, call center, paper application
– Materials in Spanish and English

In-person assistance:

– Navigators, assisters, and Certified Application Counselors (CACs)
– Community-based organizations, unions, trade or industry associations, community colleges, etc.
– Enroll America available to come to campuses
Child Care: A Year in Review

• Downward trends in state funding and policies.
  – Decreased state investment.
  – Passage of state policies that have a negative impact on children (student/teacher ratios, reimbursement rates, etc.)
  – Lowest child care spending and participation
Child Care: A Federal Update

- CCDBG **Reauthorized** – November 2014
- New opportunities in CCDBG
  - Health and safety standards
  - On-site monitoring for compliance
  - Accessibility of child care health, safety and licensing information
  - Eligibility determination policies for families seeking child care subsidies
  - Guarantees 3-month minimum of job search
Federal Student Aid: New in 2015-16

Ability to Benefit (ATB)

• PARTIALLY RESTORED for students in career pathway programs
  – Adult education and eligible postsecondary programs
  – Counseling and supportive services
  – Structured course sequence

• Applies to students who are enrolled or who first enrolled in an eligible program of study on or after July 1, 2014

• New guidance released Friday
Federal Student Aid: New in 2015-16

• Pell Grants
  – Pell Grant maximum award increases by $45 to $5,775

• Student Loans
  – Interest rates for new Federal student loans will go down and at a fixed rate
    • Direct Loans to undergraduate students: 4.29%
    • Direct Loans to graduate students: 5.84%
    • PLUS Loans to parents and graduate students: 6.84%
Federal Student Aid: Upcoming Changes

REPAYE – Revised Pay As You Earn student loan repayment plan

– Available to all Direct Loan borrowers
– Payments are capped at 10% of discretionary income.
– Limits the interest that can accrue
– Borrowers with only undergraduate loans, have any remaining debt forgiven after 20 years (25 years if they have graduate debt as well).
# Student Loan Repayment Plans

## Standard and Graduated Repayment Plans

- **Good:**
  - Loans are paid off in 10 years
  - Less interest accrues

- **Bad:**
  - Entire loan balance must be paid off
  - Monthly payments may be higher

## Income-Driven Repayment Plans

- **Good:**
  - Remaining loan balances forgiven after either 20 or 25 years.
  - Typically, lower monthly payments

- **Bad:**
  - More interest accrues
  - Borrower must recertify their income every year
STUDENT AID: TO BE AWARE OF

In Congress, the fiscal year 2016 budget resolution proposes to:

– Eliminate Pell funding
– Eliminate in-school subsidies for student loans
– Eliminate the Public Service Loan Forgiveness program
– Eliminate expansion of IBR
– Eliminate college tax credits
Student Aid: Good News!

- Bipartisan support for year round Pell
- Bipartisan support to simplify the FAFSA
- President’s America’s College Promise Plan
# Education Tax Credits: What’s New

<table>
<thead>
<tr>
<th></th>
<th>Black-Davis</th>
<th>Obama</th>
<th>Doggett</th>
<th>Schumer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Value</strong></td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>Time Limit</strong></td>
<td>First 4 years</td>
<td>5 years</td>
<td>$15,000 cap</td>
<td>$15,000 cap</td>
</tr>
<tr>
<td><strong>Student Eligibility</strong></td>
<td>At least half-time</td>
<td>Expanded to part-time</td>
<td>Expanded to part-time</td>
<td>Expanded to part-time</td>
</tr>
<tr>
<td><strong>Income Phase Out</strong></td>
<td><strong>Lowers</strong> current limits</td>
<td>Maintains current limits</td>
<td>Maintains current limits</td>
<td><strong>Raises</strong> current limits</td>
</tr>
</tbody>
</table>
Workforce Investment Opportunity Act

• First reauthorization of national workforce programs in 16 years
  – Updates the law for changes in the economy
  – Emphasizes newer, proven strategies in workforce development

• Passed with wide bipartisan majority in Congress

• WIOA signed into law by President Obama July 22, 2014
  – Many provisions take effect July 1, 2015; others July 1, 2016
Take Action!

- **TANF**
  - State-by-state advocacy (contact CLASP for more information)
- **SNAP**
  - Food Research and Action Center ([http://frac.org/leg-act-center/](http://frac.org/leg-act-center/))
- **Child Care**
  - Contact CLASP for more information.
- **Pell Grants**
  - Save Pell Coalition ([www.SavePell.org](http://www.SavePell.org))
- **Adult Education/GED/ESL**
- **All Other/Budget**
  - Coalition on Human Needs ([www.chn.org](http://www.chn.org))
  - NDD United (@NDDUnited)
Want more updates? Keep in touch.

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