



March 25, 2015

The Honorable Ted Mitchell
Undersecretary, U.S. Department of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Undersecretary Mitchell,

Thank you for the opportunity to submit comments regarding the proposed priorities, requirements, selection criterion, and definitions for the First in the World (FITW) program. We applaud the Department of Education and the Administration as you focus your higher education priorities to identify barriers to student success and college completion, especially among nontraditional students, and explore new innovations that lead to successful outcomes for this group of students.

Single Stop respectfully submits these recommendations specifically for **Proposed Priority 3** and **Proposed Priority 8** as well as **Types of Priorities, Requirements** and **Selection Criterion** for your consideration and exploration.

Single Stop is a national nonprofit organization that harnesses America's most effective anti-poverty tools to create economic mobility for low-income families and individuals. Through a unique one-stop shop, Single Stop connects people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency.

We are dedicated to helping low-income individuals and families build economic security by coordinating access to resources such as free tax preparation, legal services, financial counseling, and public benefits. In 2009, we launched the Community College Initiative to increase completion rates of low-income community college students by addressing financial barriers facing these students. Currently, we have sites at 23 community colleges in 8 states (NY, NJ, CA, MA, LA, PA, MS and FL). Single Stop community college sites enable students to tap into existing unspent federal and local resources that can be used as a supplemental form of financial aid. Since the inception of the initiative, Single Stop has served nearly 140,000 students and secured \$260 million in additional resources—tax credits, health insurance, nutrition assistance, and more—that students are using to pay for college.

We commend the Department of Education's proposed priorities for acknowledging the need for the services described above, moving away from long-held beliefs that maintain that low-income students are simply underprepared. Data show that low-income students who are equally as prepared as their more affluent counterparts (as measured by SAT scores—themselves arguably biased against low-

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income students) are still dramatically less likely to graduate than upper-middle class students. In an analysis of postsecondary data, Carnevale and Strohl found that students in the bottom quartile of socioeconomic status had graduation rates 38% to 50% lower than students with similar SAT scores in the top quartile of socioeconomic status¹.

I. Proposed Priority 3: Improving Student Support Services

Single Stop enthusiastically supports Proposed Priority 3—Improving Student Support Services—which speaks to crucial challenges to college completion that have too frequently been overshadowed in the higher education reform dialogue. Community college students consistently identify financial barriers as the number one reason why they stop out or drop out of college². In a 2013 national survey of community college students, 49% of students indicated that they were either “very likely” or “likely” to withdraw from a class or college due to a lack of finances; an additional 23% indicated they were “somewhat likely” to withdraw due to lack of finances³. These numbers dwarf the response rate for concerns of withdrawal due to academic unpreparedness.

Furthermore, there is strong evidence that even small infusions of extra financial resources can make major impacts on retention for low-income students, as evidenced by rigorous studies of emergency scholarship programs that produced significant increases in retention.⁴ These small scale interventions can be scaled further through the kind of innovations targeted by the FITW program.

We are particularly pleased to see the priority mention connecting students to government benefits, which is a promising arena to scale support for low-income community college students. A University of Wisconsin-Madison study found that students who were served by Single Stop and received public benefits drew down an average of \$5,400 per student per year from non-traditional sources⁵, as compared to a maximum Federal Pell Grant of \$5,645—suggesting that colleges can nearly double the financial resources for students to stay in school simply by helping them access non-traditional resources such as tax credits and safety net resources. Not surprisingly, initial studies of Single Stop sites at the City University of New York found that receipt of Single Stop services was associated with a 14% to 17% increase in semester to semester retention. Additionally, a report by the OMG Center for Collaborative Learning found that between summer 2011 and fall 2013, low-income students who received public benefits (specifically, SNAP, TANF, and TANF child care), enrolled in more terms on average during this period than a statistically matched comparison group.⁶ Single Stop’s experience

¹ Carnevale, Anthony P., and Jeff Strohl. "How increasing college access is increasing inequality, and what to do about it." *Rewarding strivers: Helping low-income students succeed in college* (2010): 157-159.

² Ryder, Ronald A. "Nontraditional Students: Perceived Barriers to Degree Completion." *College Student Affairs Journal* 13.2 (1994): 5-13.

³ Community College Survey of Student Engagement – 2013 Cohort, http://www.ccsse.org/survey/reports/2013/standard_reports/ccsse_2013_coh_fregs_allstu.pdf

⁴ Richburg-Hayes, L., et al. "Rewarding persistence: Effects of a performance-based scholarship program for low-income parents." (2009). http://dev.mdrc.org/sites/default/files/rewarding_persistence_fr.pdf

⁵ Goldrick-Rab, S., et al. "Clearing a path to a brighter future: Addressing barriers to community college access and success." (2013). <http://kresge.org/sites/default/files/White-paper-barriers-to-community-college%20access-success.pdf>

⁶ "Public Benefits and Community Colleges: Lessons from the Benefits Access for College Completion Evaluation." (2014). OMG Center for Collaborative Learning. <http://www.omgcenter.org/sites/default/files/BACC%20Final%20Report%20%20-%20FINAL%20111914.pdf>

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together with the latest research strongly suggest that initiatives to help students address financial barriers can move the needle on college completion for low-income students.

Specific Recommendations to Proposed Priority 3

In regards to subpart (b) under priority 3, we fully support all proposals that integrate student support services, use predictive analytics to identify students who may need specific supports, and utilize technology to provide supports systematically. However, we offer the following to more sufficiently address the greatest challenges and barriers to postsecondary student success:

Proposed additions to (b) (iii):

1. Resources and services should also include connecting students to tax credits and financial counseling.

Justification for tax credits:

Single Stop is encouraged by the Obama Administration and its goal to provide tax relief for low- and middle-income families. Tax credits like the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are vitally important to a family's economic success. Research shows that increased tax refunds boost college attendance by making college more affordable. While the majority of these tax credits assist working families and their children, evidence shows that these tax credits positively affect every stage of life⁷, which suggests that tax credits may aid in college persistence. For college students, tax credits put extra dollars in students' hands just at the time that their financial aid dollars may be winding down and they are most risk for stopping out or dropping out.

Furthermore, many states and universities impose early deadlines for completing the FAFSA in order to be eligible for state or school-based aid. Many of these "priority" deadlines occur long before the April 15 IRS deadline for filing federal tax returns. If a student utilizes the "will file" option on the priority FAFSA, a student will need to create estimates based upon the previous tax year. Additionally, the student will need to come back to the FAFSA once s/he has filed a tax return to update income information. This whole process adds more complexity and confusion to the already difficult tasks of applying for federal financial aid and filing taxes. However, students who file their taxes on campus can seamlessly complete their FAFSA form in a timely fashion to maintain access to both the federal and state financial aid. Therefore, Single Stop highly recommends adding free tax preparation as a component of FITW priority 3(b)(iii) to help address barriers faced by nontraditional students who are juggling work, family, and school and help them persist and graduate.

Justification for financial counseling:

⁷ Marr, C., et al. "EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds." (2015). <http://www.cbpp.org/cms/?fa=view&id=3793>

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Research has shown that there is a “disturbingly low level of financial literacy among college students⁸.” This research combined with increasing levels of debt and students’ increased use of credit cards suggests that college students should have access to financial education and/or counseling. For most first-generation, low-income college students, college will be the first time they are responsible for significant financial decisions—most often without the help of family members—that can have a long-term impact on their futures. It is vitally important that students understand the financial aid process, how credit works, budget development and management, how to create a financial action plan, and ways to avoid negative debt. Single Stop strongly recommends adding this key component of a student support system designed to help students persist and graduate.

Proposed additions to (b) (iv):

2. Technology, as described in the proposal, should not only have the capabilities to provide digital messaging, but should also include predictive analytics and the use of eligibility screening to quickly gather income data and identify the full range of benefits and supports available to each individual student. This will allow services to be provided much more systematically and will capture the most promising aspects of the policy area.

Justification for eligibility screening tools:

A McKinsey & Company consulting study found that each year, more than \$60 billion in government benefits do not reach individuals who are eligible for them. A key problem is the complexity of rules and the major statutory and regulatory differences between programs that compose the safety net. The complexity is particularly daunting for low-income, first-generation college students. Both private and public technology platforms are making the process of understanding eligibility and applying for benefits much simpler, as more than half the states now have on-line portals for multiple benefits. These technologies should be high on the list of student service reforms studied by FITW.

II. Proposed Priority 8 – Improving Postsecondary Outcomes at Minority-Serving Institutions

Single Stop strongly supports improving postsecondary outcomes at minority-serving institutions (MSIs) and having limited resources of the FITW program go to these institutions. MSIs not only enroll more low-income and minority students than any other student group, but they also consider it their mission (both current and historical) to serve these specific groups of students. Because MSI graduation rates tend to be lower than rates at other institutions, the need for student supports interlocked with existing student services is crucial.

⁸ Goetz et al. (2011). “College-based personal finance education: Student interest in three delivery methods.” *Journal of Financial Counseling and Planning*, 22.1: 27-42.

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Requirements

Development grants

We recommend that the requirement that development projects be “novel... [and] not projects that simply implement existing practices in additional locations or support needs are that primarily local in nature” be amended to reflect the idea that most innovations are not completely novel and that existing practices that illustrate proven successful outcomes may in fact be scaled up to address widely shared challenges and thus marshal projects that add to the innovative spirit of FITW. We believe that projects that innovate significantly from current design should be considered for development grants.

Eligibility

We are very enthusiastic about the proposal for public or private non-profit agencies to be considered for the FITW grant. Government at every level should work to eliminate the silos that keep entities from working together and this grant is a wonderful incentive for non-profit partners to coordinate approaches to deliver effective solutions. This proposal opens up the door to a larger swath of innovators that are already partnering with institutes of higher education to develop innovative, low-cost strategies to assist students on the path to graduation. Non-profit partners can provide crucial one-on-one service with the ability to conduct follow-up and outreach. Furthermore, many of these organizations have already developed evidence-based interventions through the White House Social Innovation Fund, and can apply these same rigorous program principles to FITW.

Absolute Priority versus Competitive Preference Priority

We support the designation of “absolute priority” for applications considered under Proposed Priority 3, subpart (b) (iii). We support the designation of “competitive preference priority” to all other applications considered for other priorities.

Again, we thank you for the opportunity to present comments on FITW. Thank you for your consideration of our recommendations.

Sincerely,

Andrew Stettner
Chief Program Officer