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SUMMARY: This letter expands on the Department’s January 20, 2022 (GEN-22-02) and July 29, 2024 (GEN-24-93) Dear Colleague Letters by urging IHEs to give students the opportunity to consent to IHEs sharing FAFSA and FTI data with state agencies overseeing Federal and State means-tested benefits programs. Consenting to data sharing may ease students’ burden in obtaining public benefits for which they are eligible. This letter also outlines additional actions that IHEs and state grant agencies can take to inform students about means-tested benefits programs.

Dear Colleague:

Reducing the burden of accessing public benefits programs holds tremendous potential for students. For example, only about one third of college students who are eligible for Supplemental Nutrition Assistance Program (SNAP) benefits receive those benefits, compared to an 82% participation rate among the general SNAP-eligible population. Increasing student access to SNAP and other means-tested benefits programs could improve college affordability, retention and graduation rates.

As provided in previous guidance, most recently with Electronic Announcement GENERAL-24-93 on July 29, 2024 “Guidance on Means-Tested Benefits Outreach for Institutions and State Grant Agencies,” the United States Department of Education (ED) believes that institutions of higher education (IHEs) and state grant agencies can play an important role in ensuring and expanding student access to means-tested benefits programs. Research shows that when IHEs share data with state and local agencies administering means-tested benefits, enrollment in public benefits programs could increase. Greater access to public benefits can, in turn, help students afford college, take out less debt, graduate faster and at higher rates, secure stable employment, and repay their student loans.

This letter expands on GENERAL-22-02 and GENERAL-24-93 by outlining paths for institutions to obtain student written consent to share their Federal Application for Student Aid (FAFSA[®]) and Federal Tax Information (FTI) data with state and local agencies administering means-tested benefits programs. By taking the steps identified below, institutions may increase student access to federal benefit programs.

Actions institutions can take to obtain students’ written consent to share FAFSA[®] and FTI data with state and local agencies administering means-tested benefits programs.

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ED remains committed to supporting postsecondary student success and protecting students' private information. The Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, the Internal Revenue Code, 26 U.S.C. § 6103(l)(13)(D)(vi), and the Higher Education Act of 1965, 20 U.S.C. § 1098h(c)(1)(B), require IHEs to obtain written consent from students prior to sharing FAFSA or FTI data to aid in the administration of federal benefits programs.

Written consent to share FTI under 20 U.S.C. § 1098h(c)(4)(B) means “a separate, written document that is signed and dated (which may include by electronic format) by an applicant, which: (i) indicates that the information being disclosed includes return information disclosed under section 6103(l)(13) of the Internal Revenue Code with respect to the applicant; (ii) states the purpose for which the information is being disclosed; and (iii) states that the information may only be used for the specific purpose and no other purposes.” Written consent to share FAFSA data under FERPA is governed by 20 U.S.C. § 1232g(b)(2)(A) and 20 U.S.C. § 1232g (d), which requires written consent to release specified records, stating both the reason for such release and to whom the records will be released. IHE’s can utilize a single consent form to satisfy both standards.

ED encourages institutions to offer students multiple opportunities to consent to sharing their FAFSA and FTI data for the purpose of means-tested benefits access. By incorporating opt-in consent methods described below within existing processes, institutions may reduce their administrative burden and increase student awareness and participation. ED recommends that institutions implement the first or second method, at minimum, to maximize opportunities for students to provide informed consent.

Method One: Include an Opt-in Section within the Institution’s Financial Aid Package Acceptance Platform

To be eligible for Title IV, institutions must “provide adequate financial aid counseling” to students applying for Federal financial aid, including “instructions...for accepting, declining, or adjusting award amounts.” 34 C.F.R. § 668.16(h)(4). When evaluating an institution’s capability to administer Title IV funds, ED considers whether its financial aid counseling advises students to accept the “most beneficial types of financial assistance available to them.” 34 C.F.R. § 668.16(h). Because access to means-tested benefits programs, like need-based grants and scholarships, can reduce reliance on loans to cover the cost of attendance, such programs may

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greatly benefit low-income students. For example, under SNAP, eligible single students may receive up to \$3,492 per year for food, potentially reducing a student's debt by \$6,984 for a two-year degree and \$13,968 for a four-year degree. In other words, providing students with additional tools to access funding is broadly consistent with the goals of financial aid counseling set forward in ED's prior regulations.

ED encourages institutions to embed an opt-in feature within their financial aid package acceptance platform where students can provide their written consent to share their FAFSA and FTI data with state and local agencies administering means-tested benefits programs. Adding a consent statement to the financial aid package acceptance platform will target the low-income students most likely to qualify for public benefits and increase awareness of available public resources. It also provides students with a streamlined mechanism to share their information with state and local agencies by eliminating a secondary step that institutions would need to take later on to obtain students' consent.

Method Two: Include an Opt-in Section within the Institution's Course Registration Platform

IHEs may also obtain student consent to share FAFSA and FTI data within course registration platforms. Students register for courses before the start of the term, and in many cases, connect again with a college registrar to change courses during a term. Because this is a common touchpoint for students with the institution, embedding a consent opportunity into the course registration platform is an opportunity to reach every student and to do so at regular intervals.

Method Three: Include an Opt-in Section within the Institution's Student Loan Entrance Counseling

IHEs can also embed a consent opportunity in the institution's student loan entrance counseling if they utilize their own counseling tool. For students to be eligible for Federal direct loans, their IHE must provide them with entrance counseling before loan disbursement. 34 C.F.R. § 685.304(a)(1)-(2), (b)(1). Congress enacted a loan counseling requirement to ensure institutions provide their students with sufficient information and guidance at the outset so that students can borrow responsibly and have a greater ability to repay their loans in the long run.

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Providing students with information about means-tested benefits programs they may be entitled to directly impacts items covered in entrance counseling, such as average indebtedness and monthly repayment, as well as needed loan estimates, repayment options, and budgeting.

Increasing student participation in FAFSA and FTI data-sharing initiatives would promote Congress' objectives for entrance counseling.

A limitation of this approach is that entrance counseling is only required for Federal student loan borrowers. Many low-income students receiving financial aid, such as Pell Grants and institutional grants, that fully cover tuition do not take out loans. As a result, these students might not be aware of the consent opportunity if the IHE only uses entrance counseling to obtain consent. Accordingly, ED strongly recommends using one or both of the consent methods described above in addition to entrance counseling. Students who see the consent option in more than one place are more likely to utilize it, and increasing the uptake of means-tested benefits could reduce student loan borrowing and improve successful repayment outcomes.

Additional actions institutions and state grant agencies can take to inform students about means-tested benefits programs.

IHEs and state grant agencies also interact with students at various points in students' academic journeys. As such, these entities can play a crucial role in informing students about means-tested benefits programs. By integrating and highlighting information about the availability of means-tested benefits like food assistance, healthcare subsidies, and housing support, students can be empowered to access resources to alleviate financial burdens and promote academic success. A collaborative effort will both enhance student well-being and foster a supportive environment that promotes equitable access to opportunities.

The following are examples of actions institutions and state grant agencies can take to inform students about means-tested benefits programs.

- 1. Send proactive and targeted information at regular intervals:** IHEs should send information directly to students about means-tested benefit programs, particularly during applicable benefit periods (such as "open enrollment" for health insurance, and tax filing season for tax benefits). Whenever possible, students should receive customized information, and FAFSA and institutional data can be used to target students who are most likely to be eligible for benefits.

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2. Provide Information in Media Outreach: IHEs and state grant agencies should publish information about means-tested benefits resources on their social media platforms and in their electronic and/or printed newsletters to students.

3. Provide Information in Orientation Materials: IHEs should include information about means-tested benefits programs in their orientation materials to ensure students are aware of resources that may be available to them. IHEs can also consider having booths at orientation with information about means-tested benefits programs. This could be an opportunity to have tablets with pre-made digital forms outlining existing benefits programs where students can consent to sharing their FAFSA and FTI data with state and local agencies administering means-tested benefits programs.

4. Provide Information in Course Syllabi: IHEs should encourage instructors to include a student resource section in their syllabi that lists both institutional and government resources and where students can go to get more information.

5. Partner with Campus-Run Newspapers: IHEs should collaborate with campus-run newspapers to publish information about means-tested benefits programs and places where students can go to get help with enrolling.

6. Partner with Student Government Associations: IHEs should partner with student government associations to develop content and programming to inform students about means-tested benefits programs.

7. Partner with Federal TRIO and GEAR UP Programs: IHEs and state grant agencies can partner with Federal TRIO and GEAR UP programs to develop informational programming on means-tested benefits programs.

8. Provide Information at Financial Aid Workshops: IHEs and state grant agencies should provide information on means-tested benefits programs at financial aid workshops.

9. Provide Information at Financial Literacy Workshops: IHEs and state grant agencies should provide information on means-tested benefits programs at financial literacy workshops.

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10. Build Comprehensive Website Resources: IHEs and state grant agencies should partner to develop comprehensive websites that describe available basic needs supports and where students can go to enroll in means-tested benefit programs. Additionally, websites related to financial aid questions and eligibility should include information or links to means-tested benefits resources.

Example Consent Statement for Sharing FAFSA and Federal Tax Information

To comply with privacy laws, the opt-in feature must include a consent statement that conforms to the requirements outlined in 20 U.S.C. § 1098h(c)(4)(B), 20 U.S.C. § 1232g(b)(2)(A), and 20 U.S.C. § 1232g (d). The following is an example of a legally adequate consent statement that IHEs can pre-fill with the applicable information:

Consent Statement: “I grant [INSTITUTION OF HIGHER EDUCATION] permission to share my FAFSA data and Federal tax information with federal, state, or local government agencies for the sole purpose of determining my eligibility for means-tested benefits programs that will help me cover my cost of attendance. This includes information covered by federal tax law.”

Student Signature: _____

Date: _____

If students approve of their institution sharing their FAFSA and FTI data, the opt-in form should allow them to sign their names in a way that clearly consents to the data-share statement. IHEs should accept electronic signatures in addition to handwritten signatures.

Sincerely,

James Kvaal,

Under Secretary, Department of Education