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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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<http://help.senate.gov>

December 1, 2020

The Honorable Betsy DeVos
Secretary of Education
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary DeVos:

We write to ask that you rescind your agency's administrative action in June and restore the decades-old U.S. Department of Education ("Department") guidance allowing student aid administrators to make adjustments to the Federal Student Aid benefit formula for recently unemployed individuals to enable these students to receive necessary federal financial assistance to further their education.

There is broad bipartisan support for maintaining the policy of allowing financial aid administrators to set "income earned from work" to zero for an individual or family member who lost their job, when they are determining eligibility for Federal student aid. This support is demonstrated in the Senate Republican HEALS Act and House Democratic HEROES Act. Specifically, both bills include provisions to enable financial aid administrators to set an individual's income earned from work to zero if they have applied for or receiving unemployment benefits, and to not count unemployment benefits as income earned from work.

In 2009, the Department issued guidance GEN-09-05 to address the changing financial circumstances of students resulting from the last economic recession. This guidance was still listed in the Student Aid Handbook in May and early June 2020. It addressed the use of "Professional Judgment," which is the authority provided under the Higher Education Act of 1965 to financial aid administrators to recalculate a student's financial aid eligibility in cases of recent unemployment.

Sometime after June of this year, in the midst of the COVID-19 pandemic, the Department removed this guidance from the Student Aid Handbook and listed it as "archived" guidance. Then the Department issued new pared-back guidance, which restated that a student's unemployment status or family member's unemployment status continues to be a valid reason for financial aid administrators to execute professional judgment, and that use of this authority will not result in program reviews. The guidance did not mention the Department's policy on adjusting income earned from work. This has caused great confusion across all institutions of higher education around the country.

The National Association for Student Financial Aid Administrators (NASFAA) recently conducted a survey on how financial aid administrators are using Professional Judgment during the COVID-19 national emergency. The survey found that just 23 percent of respondents are zeroing out income earned from work for unemployed individuals during COVID-19. Yet, 80 percent of respondents said their financial aid office would do this for students if the guidance from the Department was made clear.

We ask that you revisit this topic immediately and restore the previous policy in the GEN-09-05 guidance by December 15, 2020. Should you or members of your staff have any questions, please have your staff contact

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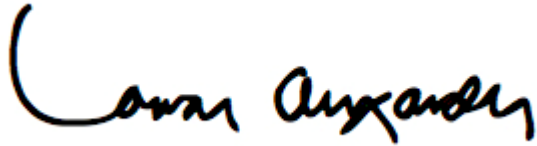
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Lauren Schwensen at lauren_schwensen@help.senate.gov or Bryce McKibben at bryce_mckibben@help.senate.gov.

We appreciate your attention to this matter.

Sincerely,



LAMAR ALEXANDER
Chairman, Senate Committee on Health,
Education, Labor, & Pensions



PATTY MURRAY
Ranking Member, Senate Committee on Health,
Education, Labor, & Pensions



TIM SCOTT
U.S. Senator, Senate Committee on Health,
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MARGARET WOOD HASSAN
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