

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

ASSEMBLY RESOLUTION No. 199

STATE OF NEW JERSEY

DATED: JANUARY 13, 2021

The Assembly Higher Education Committee reports favorably Assembly Resolution No. 199.

The outbreak of COVID-19 has forced colleges and universities across the country to grapple with a host of unexpected costs in the face of declining revenues, and has concurrently caused a major disruption to the livelihoods of students.

To help address the negative effects experienced by college students and institutions of higher education, the Higher Education Emergency Relief Fund (HEERF) was established in the federal “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act), to provide more than \$14 billion in aid. Of the total \$14 billion, over \$12 billion, half of which is required to go directly to students as emergency financial aid grants, is to be distributed to institutions using a formula based on an institution’s full-time equivalent (FTE) enrollment of federal Pell Grant recipients and FTE enrollment of non-Pell Grant recipients. In calculating the aid amounts to be distributed to each institution, the formula laid out in the CARES Act excludes students exclusively enrolled in distance education courses. Guidance issued by the federal Department of Education states that students who were enrolled exclusively in online programs prior to the COVID-19 pandemic are not eligible for student emergency financial aid grants.

These policies adversely affect institutions that enroll a high number of part-time and online learning students. The policies also serve to be detrimental to these students, a significant portion of whom are low-income, individuals of color, from rural areas, or first-generation college students, groups that have been disproportionately affected by the current economic crisis.

In basing aid on FTE enrollment, the formula provided in the CARES Act has the effect of prioritizing institutions that have greater percentages of full-time students and does not offer equal treatment to those institutions that have higher part-time enrollment. By discounting online learning students from the formula calculation of higher education aid and not allowing them to receive emergency financial aid grants, the CARES Act explicitly disadvantages working adult learners and some of the most vulnerable college students.

This resolution urges Congress to address the current disparities in federal funding seen between institutions that have greater full-time enrollment and those that enroll more part-time students by counting part-time students and full-time students in an equal manner. It also urges that future federal stimulus legislation ensure the provision of emergency financial aid grants to online students and not exclude those students in formula aid calculations.