The Honorable Miguel Cardona The Honorable James Kaavl  
Secretary of Education Undersecretary of Education  
United States Department of Education United States Department of Education  
400 Maryland Ave. SW 400 Maryland Ave., SW  
Washington, DC 20202 Washington, DC, 20202

The Honorable Richard Cordray   
Chief Operating Officer   
Office of Federal Student Aid   
United States Department of Education  
830 First Street NE   
Washington, D.C. 20002

July 19, 2022

Dear Secretary Cardona, Undersecretary Kvaal, and Chief Operating Officer Cordray,

I am writing to request your urgent assistance with respect to a letter that Eastern Gateway Community College (EGCC) received from Dr. Jeremy Early, the Division Chief of the U.S. Department of Education’s (ED’s) Chicago/Denver field office, on July 18th. The letter pertains to an extended, ongoing review during which EGCC has responded to dozens of requests from the field office, providing hundreds of pages of documents at short notice, and without an explanation of what the office was seeking. During the course of this review, Dr. Early and his team have apparently determined that the Free College Benefit Program administered by EGCC is problematic because the benefit is applied after Pell and state grant funds are taken into account.

There are many reasons a student may not receive a Pell grant – including a lack of personal financial information, immigration status, last-minute changes in plans, or other factors. We believe that all students, regardless of their financial situation, should have access to higher education and are proud promoters of this program. Dr. Early’s letter (enclosed) asserts that this scholarship is in violation of the Higher Education Act because it requires Pell students to be charged a higher amount than non-Pell students and implies that an institution-funded scholarship is unallowable. However, EGCC’s program does not charge a higher amount for Pell recipient students. The tuition and fees are the same for both populations, and EGCC’s program simply ensures that all students can attend college free of charge, regardless of their Pell eligibility.

So-called “last dollar scholarships,” like EGCC’s, are generally accepted as one of two common models of “free college.” Under the concept of “last dollar” or “last mile” scholarships, an entity – including a State government or institution – will pay any tuition remaining at a public college after a student’s existing federal financial aid award is used. This is a model used by States at large – for example, Rhode Island, Tennessee, and Utah – but it is also often employed by individual institutions. By contrast, “first dollar” scholarship programs guarantee that the government will fully pay for tuition at a public college, allowing a student to use any additional financial aid to cover other costs of attendance, such as room and board, books, and transportation. These scholarships provide more flexibility for students, but are more costly for governments and institutions, limiting the number of students an institution may cover. There is no requirement in HEA or other regulations or guidance that scholarships be funded by State or local governments rather than institutional dollars.

Letter to Secretary Cardona, Undersecretary Kvaal and Chief Operating Officer Cordray

Re: Union Last Dollar Scholarship Program

July 19, 2022

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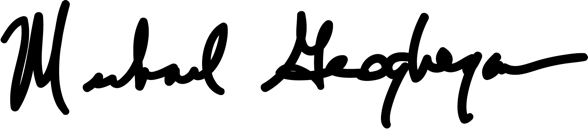
In sum, EGCC believes its Free College Benefit Program is analogous to other “last dollar” programs and is fully in compliance with federal law and is the best option for the College to ensure it can both fund student attendance and continue to operate a high-quality program. However, Dr. Early’s letter concludes that those other programs funded by an “actual income source” are allowable while EGCC’s program is not. Dr. Early also concludes – solely based on opinion – that the provision of the program “put[s] EGCC in a very precarious financial position” and “calls into question” EGCC’s continued viability.” This is patently false, as demonstrated by EGCC’s strong financial composite score and audited financials.

More concerning and urgent, however, is the conclusion of the letter. Dr. Early writes that EGCC “must not” disburse Pell funds to any new students” until the Free College Benefit Program is “redesigned to charge full tuition and fees for non-Pell students” and must “cease waiving the tuition and fees for non-Pell students.” Unfortunately, the letter does not provide specific instructions on how that might be done or what specific standards must be met. It also says that the field office may have further instructions for current students. This directive, coming less than a month before classes start for approximately 25,000 union-affiliated students on August 15th – severely endangers the future of EGCC and its ability to operate.

Furthermore, the letter is the first communication that EGCC has received regarding this issue, and the first indication that ED finds EGCC’s Free College Benefit Program problematic. Yet it is presented as a final decision, effective almost immediately, with no opportunity to remedy or avenue for appeal before our ability to access Pell grants is impacted.

EGCC respectfully requests that we be provided an opportunity to disburse Pell grants for the fall semester and offer the free educational benefit promised to the students already enrolled while we work with you and your staff to further our understanding of your concerns and address them in a way that protects and preserves access for our students.

Sincerely,



Michael Geoghegan, President

Eastern Gateway Community College

Copies: Representative Bill Johnson (OH-6)

Representative Tim Ryan (OH-13)

Senator Sherrod Brown, Ohio

Senator Rob Portman, Ohio