

FAFSA Fail: Examining the Impact on Students, Families and Schools
Remarks to the Subcommittee on Higher Education and Workforce Development
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Chairman Owens, Ranking Member Wilson and members of the subcommittee, thank you for the invitation to speak this morning. I am particularly honored to offer this testimony as a Pell Grant and federal student aid recipient myself as well as a previous witness in hearings that informed the FUTURE and FAFSA Simplification Acts.

The National College Attainment Network (NCAN pursues its mission through over 500 member organizations including community-based organizations, school districts, institutions of higher education, state agencies, and corporate and philanthropic partners who collectively serve over 2 million students each year. Committee members may know some of our members programs such as the Utah System of Higher Education, the school district of Lancaster (PA), the Michigan College Access Network, On Point for College in Syracuse, NY, Ascendium Education Group (WI), the Texas College Access Network, Vista School Resources (Miami, FL), ECMC's College Place Connecticut, and the College Success Foundation (Bellevue, WA and Washington, DC).

NCAN prioritizes FAFSA support and completion because it aligns so strongly with our vision that all students – especially first-generation students, students from underrepresented racial and ethnic backgrounds, and those from low-income backgrounds – have an equitable opportunity to achieve social & economic mobility through higher education. NCAN has long advocated for FAFSA simplification and built a coalition of cross-sector partner organizations to champion it.

Completion of the FAFSA is one of the best predictors of whether a high school senior will go on to college. Seniors who complete the FAFSA are [84% more likely](#) to immediately enroll in postsecondary education. For students in the lowest socioeconomic quintile, FAFSA completion is associated with a 127% increase in immediate college enrollment.

Our policy goals have been to simplify the form, improve early awareness, and expand Pell Grant eligibility and take-up, encouraging increases in postsecondary enrollment and completion and lowering errors and verification burden for applicants.

FAFSA's historical complexity of 108 questions and more sub questions, including questions that were not needed to determine eligibility for federal student aid, presented a barrier to its completion, and arguably, the ability of many students to access the aid for which they are eligible to enroll in and complete college.

At or nearing the end of the prior school year, 53.4% of the high school class of 2023 had completed a FAFSA, a number that translated to Pell Grant-eligible high school students across the country leaving \$4 billion in Pell Grants, the foundation of federal need-based aid, on the table. At the same time, affordability gaps worsened with only

24% of our public, BA-granting institutions affordable to those currently eligible for a Pell Grant.

The FAFSA first launched in 1992 as a free form that combined previously separate applications for Pell Grants and for all other types of need-based aid. Since then, it has seen improvements including FAFSA on the Web that brought in skip logic, the IRS data retrieval tool that allowed some students to download and manually bring in income information from the IRS to FSA, use of prior-prior year tax/income information and moving up the opening date to October to better align with the college search and admissions cycle.

Although these improvements were significant and positively impacted completion rates, the more recent legislation, including the 2019 FUTURE Act and 2020 FAFSA Simplification Act, brought us comprehensive reform, including at least 22 fewer questions for students to complete and a direct data exchange between the U.S. Department of Education and the Internal Revenue Service.

These changes are widely talked about as the simplified FAFSA. And we all love simplification. Generally, in all aspects of life, we appreciate efficiency, an easier form and a shorter wait. But merely talking about these changes as simplification is missing the point of why this was NCAN's top policy priority for so long.

We saw these changes as important policy wins to simplify the form and increase completion rates, expand Pell Grant eligibility and transparency, and to achieve more equitable outcomes for all students.

These changes will increase the number of students qualifying for the maximum Pell Grant and restore eligibility to students with drug convictions and individuals who are incarcerated.

According to the Department of Education, 600,000 more students will become eligible for Pell Grants in FY 2025 with the implementation of the FAFSA Simplification Act of 2020.

Early modeling by SHEEO, the State Higher Education Executive Officer Association, estimates that a large percentage of students, 42.9%, previously ineligible for Pell Grants will become eligible under the new methodology. Of students currently eligible for Pell Grants, 84.6% will see their Pell awards increase.

The change to the Pell eligibility formula has been enhanced by a new resource called the Pell Lookup Table, published last fall by the Office of Federal Student Aid (FSA). The table will allow students and counselors to easily ascertain whether a student meets the criteria for receiving a minimum or maximum Pell Grant based on their adjusted gross income and household size. This useful early awareness tool will allow students and families to better plan for college by knowing the amount of this need-based grant.

We began this school year with high hopes for the “Better FAFSA.” Counselors and advisors did all they could to prepare for a compressed timeline, believing the tradeoff would be more completions and expanded Pell Grant eligibility and awards.

However, the road to implementing the simplified FAFSA has been admittedly hard and included challenges along the way that have been mentioned in my fellow witnesses’ testimony, the subject of daily news headlines, and shared by your constituents. There will be a time for the necessary oversight hearings that fully interrogate this cycle. My testimony today focuses on the impact on students, enrollment and equity, not any process, system or decisions that brought us too today.

Students and families, and the advisors and counselors who support them, have experienced FAFSA technical malfunctions, a botched account ID creation system that has many students from mixed status families still unable to contribute parent information to the form, a call center with hour-long waits, dropped calls due to volume and incorrect information, and a painfully slow ramp-up of applicant data transfers to waiting financial aid offices who now await reprocessing of 20% of applicants given formula errors.

Students from mixed immigration status families faced additional delays using the streamlined electronic application. It only became available to them mid-last month, with many still enduring long waits to create accounts and verify their identities so they can submit a FAFSA. Some contributors still can’t as they await manual verification of their identities.

Open issues remain including no functionality for upwards of 20% of students who need to make corrections, some resulting from known issues. An unknown number of paper FAFSA forms, many of which were sent in by students from mixed status families unable to access the electronic application until mid last month, have no timeline for processing. Institutions await the ability to share non-Federal Tax Information (FTI) data among campus offices that provide student supports, such as tutoring, career advising, and help accessing housing, food assistance, and emergency financial assistance. TRIO, GEAR UP and college access programs with established relationships with students still cannot receive student-level completion status data to target outreach which students still need outreach to complete the FAFSA. No data has been shared yet on the status of renewal FAFSA rates.

Delayed processing and reprocessing of applications and sharing applicant data with institutions of higher ed mean most high school seniors have yet to receive an aid offer. Many will likely walk across the high school graduation stage as soon as May 10th, without a single aid offer from a college. They have admission offers from colleges but no assurance or communication that they can afford college. They are being asked to commit by May 1. Our greatest fear is that they will decide they can’t.

And there we have it. We now see beyond the “compressed timeline” that the college access community was prepared to navigate this year for admissions and financial aid.

As we enter high school graduation season for a cohort of students who endured high school during pandemic shutdowns, they now must endure the wait of financial aid offers and cross the stage without any certainty of what future awaits them. These students won't know if they can afford the tuition bill.

Students have done all the right things – working hard for 12 years and navigating all the steps in their senior year of high school to continue to college. They have big plans and the ambition to make them happen. But they have no idea how or if they can afford those next steps on their postsecondary path. The U.S. Department of Education has failed to give them timely information so that they can see college as an affordable reality instead of a distant, unattainable dream.

We fear that we are watching the creation of another “lost generation.” This access crisis that we have witnessed develop in slow-motion must be addressed as the emergency it is. The data portend a catastrophic decline in college enrollment this fall for the high school class of 2024 unless something changes very quickly.

NCAN uses publicly available high school-level data from Federal Student Aid to populate an interactive FAFSA Tracker that measures progress at the national, state, and local levels. This is our seventh year maintaining this project, and it puts us in a position to understand changes within and across FAFSA completion cycles.

This cycle's delayed opening and compressed timeline have consequences that are already evident. Historically, about half of high school seniors who complete a FAFSA have done so by December 31st. Through March 22, FAFSA submission rates for the high school class of 2024 are down nearly 15 percentage points compared to this time last year. About 30% fewer FAFSAs have been submitted through March 22 than through the same date last year. More than 1 million more FAFSA submissions are needed for high school seniors to match last year's submission rates, which we had hoped to exceed this year. Every single state is underwater in terms of FAFSA submission numbers this year. The best states right now are still down more than 15%.

FAFSA submission gaps are exacerbated in high schools serving large percentages of students from low-income communities, which lag seven percentage points behind their better resourced peers. In schools with high minority enrollment, completion rates lag six percentage points behind last year's submissions from high schools with fewer than 40% Black and Hispanic students.

Given the current state and rate of FAFSA submission, it is worth considering where we might be nationally by June 30, a date NCAN has historically used as a demarcation of when most students will stop having support available from their high school. Considering differential increases to the national FAFSA submission rate of 0.7 to 1.5 percentage points per week, the class of 2024's FAFSA submission rate might reach June 30 down more than 10 percentage points relative to the class of 2023. Notably, this is just for FAFSA submissions, which include FAFSAs that have errors that will need

to be corrected in order for their application to be processed and to receive federal financial aid. In previous years, FAFSA submissions have been about 7% larger than completions, but it is reasonable to anticipate that the gap between submissions and completions could be even larger this year. Modeling a submission-completion difference of 7%, 10%, and 15%, NCAN projects that we could reach the June 30 milestone with anywhere from 100,000 to nearly 700,000 fewer FAFSA completions this year.

Remembering the correlation of FAFSA completion with fall enrollment, these numbers must serve as early warning signs. We have deep concerns that this year's new freshman enrollment could crater in ways that make COVID look mild.

The last time we saw such dramatically low FAFSA completion numbers was spring and fall 2020 in the height of the pandemic. Those drops negatively impacted 2020 and 2021 seniors and notably brought on [a crushing 6.8% drop](#) in immediate college enrollment for the class of 2020, with significant decreases for Black, Latino, and Native American students. Postsecondary enrollment has still not fully recovered.

It is still possible to inject momentum into this FAFSA cycle. Given the rollout, students could be waiting out the technical issues or perhaps have become so frustrated with the process that they gave up and decided it's not worth it. We can still change their minds. Historically, states' priority financial aid deadlines have included significant spikes in FAFSA submission and completion activity. We will have to hope we see the same this year, and states like California and Tennessee, which have April deadlines, will be important bellwethers here.

We call on the Biden administration and the U.S. Department of Education to address these systemic flaws to get all students the aid for which they are eligible and upon which they depend to enroll and graduate from college. Additionally, it must identify and provide resources to support the work of FAFSA completion and enrollment support through the summer to help students and build fall enrollment.

Federal Student Aid will need adequate funding, particularly to revamp a failed system for students from mixed immigration status families, to build out capacity to fully support students turning to the Federal Student Aid Information Center, and to thoroughly test all formulas and systems as we turn to the 2025-26 cycle in the coming weeks.

School districts will need Herculean efforts to close that gap before the school year ends. It is possible but requires action and planning starting today, potentially leveraging remaining ESSER funds, for which FAFSA completion is already designated as an allowable use, or other career and college readiness funding available in states. To turn around that dire prediction, we must double-down on FAFSA completion events and enrollment counseling for the high school graduating class of 2024. Doing so will require a full spectrum of student supports, starting now and continuing through the summer, from school districts, community-based organizations and institutions of higher

education working in partnership to support students. Summer will not be the traditional task of limiting “melt” in enrollment but continuing to build enrollment as well.

Despite the challenges, tireless, fierce student advocates and the students and families they support have rolled the proverbial rock up the hill. Despite persistent setbacks, they remain committed to our students and the promise of the Better FAFSA. Some days it is very hard. The list of bright spots is long, with many mobilizing around the FAFSA completion emergency.

We applaud and appreciate states, recently including Indiana, Texas and New Hampshire, who adopted universal FAFSA completion to require FAFSA completion as a high school graduation requirement that means all students can be fully informed as they choose their postsecondary path. We are grateful to the state aid programs like the California Student Aid Commission and the Texas Higher Education Council and institutions that have delayed their enrollment deadline dates and held back aid for those impacted by reprocessing. We value corporate partners like Capital One who stepped up to host FAFSA completion events in their neighborhood cafes across the country and to support a chatbot for follow up questions.

Nonprofits have been hard at work to ensure success, including:

- Breakthrough Central Texas is hosting a series of “Senior Sprint Weeks” at their partner schools where they focus on triaging the tasks that are most urgent for seniors. This event title and related messaging is helping to create a buzz about the need to do the FAFSA.
- Achieve Atlanta is coordinating with school district leadership to prioritize FAFSA completion, such as supporting on-site FAFSA completion events, providing additional training for Atlanta Public Schools counselors and advisers on the new FAFSA, and offering 24/7 technical support to school staff working with families to submit the FAFSA.
- Be A Leader Foundation in Phoenix (AZ) is hiring four summer positions to help provide more FAFSA support.
- College Success Foundation in Washington state hopes to bring back recent retirees over the summer to assist students with FAFSA.
- College Track New Orleans is checking in with parents and students while they wait for FAFSA corrections to become available. They recognize that a FAFSA correction may now be a longer process so it’s important to be in continuous communication and maintaining a strong relationship.
- I Know I Can (Columbus, OH) will be placing \$90,000 worth of billboards throughout the school district community to encourage FAFSA completion.
- College Aim (Decatur, GA) has coaches working evening hours to complete FAFSAs with parents over the phone and via Zoom as well as extended summer hours to continue FAFSA work.

Those bright spots also include departments and institutions such as:

- The Arizona Department of Education is partnering with other key groups, such as the Board of Regents, for a statewide push to provide summer support. They are exploring how they can collectively combine resources and funds to create a summer assistance program.
- The New York City Department of Education compiles an amazing website filled with FAFSA resources to support students and those who assist them in applying for financial aid. The key is that they also produce information in 10 different languages. Resource: [FAFSA - home | FAFSA: The How-To Guide for High School Students \(understandingfafsa.org\)](#)
- Cuyahoga Community College in Cleveland (OH) reminds us to keep the special needs of transfer students in mind. Transfer students are typically the last students to receive their financial aid offers, so this year that may not be until June or later.

NCAN has joined the efforts by quickly standing up and raising an initial \$1.3 million in private commitments for a digital media FAFSA completion campaign from May-August 2024 that uses compelling creative and messaging with an animated video in a combination of paid and organic social media across likely channels of Snapchat, Instagram, Twitch, and YouTube; a paid influencer campaign; coordinated outreach to potential high-profile volunteer influencers; and targeted earned media pitching to 5 to 7 local priority regions, which would reach adults, policymakers, and education leaders.

We know social media is the best way to reach young people where they are, and influencers can be especially effective because they have an authentic connection to their audiences and credibility based on their shared experiences (e.g., navigating college or life decisions).

The campaign will target 6.5 million young people ages 17-20 from families with incomes \$60,000 or under with an emphasis on those of color. Our goal is to encourage an additional ~375,000 students to complete the FAFSA by August 31. A secondary goal is to connect them with resources to help them fill out the FAFSA.

The Education Department's FAFSA College Support Strategy gives needed help to under-resourced institutions, many of which enroll our students. However, it is only one of the sectors impacted in this cycle. We urge the Biden administration to allow flexible use of those funds to also support community-based organizations, school districts, and state aid agencies in their work to adapt to the changes and to support students' FAFSA completion through this summer to fall enrollment.

We also appreciate this week's FAFSA Week of Action in which the Department is raising awareness and holding completion events.

We remain committed to working with you for our students. The equity stakes here are monumental as is the potential impact on postsecondary enrollment.

I would be happy to answer any questions here or in individual follow up. Thank you again for this opportunity.