



THE UNIVERSITY
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THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
DIVISION OF ENROLLMENT

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**United States House Committee on Education and the
Workforce Higher Education and Workforce Development
Subcommittee**

**FAFSA Fail: Examining the Impact on Students,
Families, and Schools**

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**Written Testimony of Rachelle Feldman
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University of North Carolina at Chapel Hill**



Biography

Rachelle Feldman is the Vice Provost of Enrollment at the University of North Carolina at Chapel Hill. In this role she oversees Undergraduate Admissions, the Office of Scholarships and Student Aid, the University Registrar, and the Carolina College Advising Corps. She holds several leadership positions in national financial aid and financial education organizations including being a Trustee of the National Endowment for Financial Education (NEFE), a member of the College Board's Enrollment Leadership Group, Past Chair of the Higher Education Loan Coalition (HELC) and Past Chair of the Coalition of State University Aid Administrators (COSUAA). Rachelle is a past national board member of the National Association of Student Financial Aid Administrators (NASFAA) and remains active in many task force and committee roles including the FAFSA Simplification Implementation Working Group and was chair of NASFAA's Prior-Prior Year Implementation Task Force. Prior to joining UNC Chapel Hill, Rachelle was Assistant Vice Chancellor of Financial Aid and Scholarships at the University of California, Berkeley. She has a BS in Economics and a BA in Dramatic Art/Dance from UC Berkeley and an MS in Economics from Golden Gate University.



Chairman Burgess Owens, Ranking Member Frederica Wilson, distinguished members of the committee, and fellow citizens,

Thank you for the opportunity to speak with you today about our experience with the new FAFSA and its impact on students, families, and educational institutions. My name is Rachele Feldman and I am the Vice Provost of Enrollment at the University of North Carolina at Chapel Hill. In this role I oversee many functions that are impacted by the delays and errors in the implementation of the simplified or Better FAFSA. These include our Carolina College Advising Corps that serves 82 under resourced high schools in North Carolina, Undergraduate Admissions, and of course our Office of Scholarships and Student Aid. I am also very involved in the financial aid community and serve on the National Association of Student Financial Aid's (NASFAA) FAFSA Simplification Implementation Working Group and as the Southern Association of Student Financial Aid's (SASFAA) chair of Legislative Relations.

As the nation's oldest public university, it is our mission to educate the leaders of tomorrow from all over our state and beyond, regardless of their background or ability to pay. We pride ourselves not only on being need-blind in admissions, but in meeting the full demonstrated financial need of every undergraduate. Through our innovative programs like our no-loans Carolina Covenant scholarship, our first-generation Kessler Scholars program, and our Blue-Sky scholarships for middle-income students we provide an excellent education affordable to all. To do this, we rely not only on the generosity of our state and our donors, but also on federal student aid – and we cannot fulfill our promise to students without the FAFSA. This year we announced a program that guarantees no out of pocket tuition or fees for North Carolina families making \$80,000 or less, but we have not been able to award it yet due to FAFSA delays.

In September 2020, with great optimism, I testified before the Senate HELP committee in a hearing entitled "Fixing the FAFSA" in favor of FAFSA simplification. I was excited about the opportunity we had to simplify the application process, leverage technology, and remove barriers to higher education for those who need it most. Unfortunately, the rollout of "Better FAFSA" has been a disaster. The rollout has been plagued by delays, changing timelines, technical glitches, poor customer service and incomplete information. While I remain hopeful for the future once the problems are solved, currently my colleagues and I feel discouraged, frustrated, and worried about students and families. Most of all, we worry about the immediate and long-term impact this will have on students' ability to attend college and achieve social and economic mobility.

A Pattern of Delay

The changes to federal financial aid this year are the largest and most significant since the implementation of Federal Methodology in 1992. Schools like mine were hoping the one-year delay of implementation would allow for significant time to review student files before



releasing aid offers. Instead, the process was plagued by delay after delay after delay. Worse, most of these delays were made public with very little notice, or the announcement of the timing changes were buried in long announcements of successes or progress.

ED made the FAFSA form available at the end of December through a soft-launch. From the beginning the site was plagued with problems, so unstable that at the beginning it was only available a few hours a day. In some cases, the form short-circuited before students or parents could electronically sign. And some families, due to a technical error solved only last week, could not submit the electronic form at all. Meanwhile, schools were not receiving any data from the submitted forms and struggled to help families and students through the process. The near-peer advisors in our Carolina College Advising Corps, who tried to hold their usual FAFSA completion events for families and students, were frustrated and often stymied by federal systems being down, or not functioning as expected, leaving them helpless to give support.

Meanwhile our aid office normally begins receiving financial data from the FAFSA in October, allowing us to run tests and models to create and provide aid offers to most students at the same time as their admissions offers which begin in late January at Carolina. While the department did in fact open the FAFSA to applicants in late December, it informed schools that they should not expect any data until late January, then on January 30 ED announced a slow roll out of FAFSA data to schools beginning the "first half of March". Currently, six months behind schedule, we have received only about 60% of the records we normally would at this time of year; 20% of those have a rejected status, and many more are plagued by technical errors and calculation inaccuracies. In fact there have been technical issues and delays in every part of the implementation, from the system used to receive ISIR records, the IRS Data Exchange, to the SAI formula and to the FAFSA instructions themselves, mistakes have eroded school's faith in the department and their ability to guide students. Our financial aid professionals and schools feel like the rug has been repeatedly yanked out from under them. And if professionals feel this way, imagine how first-generation students and their families feel.

Enough with Spin City – Real and Timely Information Needed

Once we did start receiving ISIRs (the report that contains FAFSA information,) the data was full of errors. Many records are rejected due to technical glitches with the form. Some records had an incorrectly calculated SAI. Some had incorrect information from the IRS data exchange. Neither students or schools are currently able to correct these errors.

While this is bad enough, schools are frustrated by the Department's approach to sharing information. Schools are shocked to be identifying many of the issues to the department, seemingly only to have them addressed when they catch the attention of the media. Indeed, many of the electronic announcements read more like press releases, with the department expounding on its successes for paragraphs before describing an issue, solution or change



to the timeline. As one of my colleagues has said – enough with the sunshine and rainbows, we need serious, straightforward solutions that allow us to get students money for college.

Higher education is important to all of us. Wanting to make sure that we have a well-educated populace, who will make the world a better place for all of us, enhancing our economy and our way of life, should not be a political issue. I know each of you are here, serving on this committee because you care about our students, their families and the future of our nation. You don't want double talk or sales pitches any more than we do. What we all need is straight information and timely solutions.

Further, the leadership at the Department of Education seems tone-deaf. On March 15, 2024, when most schools had received at most a handful of records, Secretary Cardona wrote a letter to school presidents that in part implied that it was schools who were unprepared to receive ISIRs and prepare awards. This was followed by a letter to state governors seeming to shift responsibility onto them and encouraging schools to use their help services. In this same period colleagues were reporting hold times of over three hours to get help, and being put on a priority call back list, then waiting weeks for a response.

Another colleague noted after these letters:

I really fear that this will do years of damage to people's trust in the financial aid process, and once we think we have all of the info and have sent all aid notifications, how many students and families will have faith that everything has been accurately calculated and there won't be any more surprises later? Will they fear disbursements will be similarly delayed? I suggest everyone get ready for these types of concerns and the impact they could have on yield and enrollment.

And not just students and parents...how can we be confident that everything is accurate after sending out 1000's of offers?

Policy Whiplash

Further eroding our confidence and trust are the multitudes of updates and changes to guidance that have been issued from the department. More than once, I've read an announcement or attended a webinar or conference session, only to have the guidance reversed or revised within a few days. We have done, undone, and redone work more times than I can count.

In addition, guidance given that allows schools discretion on which information to use – essentially giving us permission to use incorrect data if it benefits a student is disturbing on many levels. It undermines the purpose of a common federal methodology where students



are treated the same way at every institution. It fails to protect taxpayers investment in student aid. And it sets students themselves up for failure if they select an institution based on an initial aid offer which changes substantially the following year.

While we appreciate the department's instinct to provide flexibility in order to allow us to get financial aid to students sooner, that flexibility would be a lot more welcome in other spaces. For instance, deadlines for reporting an enormous amount of new information Gainful Employment and Financial Value transparency were delayed only two months, despite the fact that we are six months late receiving ISIRs, and more than 90 fields are now required to simply report work-study earnings. These requirements compete for time and resources with awarding aid.

Real Impacts of Delays

As the fixes to data and the ability to make corrections are further delayed, the impact on our students, families and schools is very real. Millions of students rely on the support they receive from guidance counselors and outreach programs like our advising corps. As time marches on, students' high school semester will be over and they may be on their own. In addition, all the onboarding services that low-income and first-generation students rely on to start college on the right foot – orientation, summer bridge programs, securing housing, and more – are also being delayed and condensed. At UNC, we collect the CSS Profile and have been able to make what we hope are accurate estimates of the aid we will offer families. Yet an estimate is not an offer in hand. I remain worried that we will lose students who are key to our mission to be an engine of social mobility for the citizens of our state. We cannot leave behind talented minds who, through an accident of birth, may have fewer resources and must rely on not only financial aid, but the guidance of our programs and teams to successfully enroll and complete their degrees.

Future Focus

As we look to the future, it is clear that we must work together to resolve the issues with the FAFSA, get accurate reliable information to schools and aid offers to students. Whatever the cause of the issues, the focus **must** be on solving the problems now, and not allowing them to bleed into next year and beyond. At this point with the delays, it seems near impossible that the 25-26 FAFSA will be ready on October 1, yet ED remains silent on any delay. We must honestly share information, good and bad, that helps us serve students and families, and allows schools to plan.

We will continue to work with our state aid agencies, our outreach programs, and our colleagues in high-schools and other institutions to support students as best we can, encourage more families to complete the FAFSA, and guide students in their college choice and enrollment.



My colleagues and I are all exhausted. We also know there are many dedicated staff at ED working long, hard hours trying to fix the issues who are also frustrated and exhausted. We need to find a way to clear the path from political spin and inconsistencies, and empower both the Department and schools to move forward with a clear path, one they can communicate with students and families. We are facing not just a crisis of enrollment, but one of trust which may erode further if improvements are not made. At a time when new students should be excited and planning for fall, we still haven't been able to issue real offers of financial aid.

In 2020 I concluded my remarks to your Senate colleagues with:

I hope, once we truly implement the FUTURE Act and simplify the process of applying for aid, we in the aid offices can spend less time on helping families with the forms, following up on errors and verifying information using IRS tax forms. Instead, I hope we can have more time to counsel families on the types of support available, help students facing emergencies, address special circumstance and financial literacy, and support students not only with access – but to completion – success!

I still hold out hope for that better Future. I've witnessed that when functioning well the new FAFSA is shorter and easier for families. Federal aid is a lifeline for millions of students. Let us work together to ensure it serves its purpose: empowering students, strengthening our educational institutions, and thus paving the way to a better world for us all.

Thank you for your attention, and I am open to any questions you may have.