



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.

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 and 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.

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.

The 2019 FUTURE Act and 2020 FAFSA Simplification Act, brought us comprehensive reform, widely talked about as the simplified FAFSA. According to the Department of Education, 600,000 more students will become eligible for Pell Grants in FY 2025.

We began this school year with high hopes for the “Better FAFSA.” Instead, 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.

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 have no timeline for processing. No data has been shared yet on the status of renewal FAFSA rates.

The delayed opening and processing, and reprocessing, of applications mean most high school seniors have yet to receive an aid offer. They are being asked to commit by May 1. Our greatest fear is that they will decide they can't.

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. But they have no idea how or if they can afford those next steps on their postsecondary path.

The data portend a catastrophic decline in college enrollment this fall for the high school class of 2024 unless something changes very quickly.

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.

FAFSA submission gaps are exacerbated in high schools serving large percentages of students from low-income communities and in schools with high minority enrollment. NCAN projects that we could reach the June 30 milestone with anywhere from 100,000 to nearly 700,000 fewer FAFSA completions this year.

These numbers must serve as early warning signs. The last time we saw such dramatically low FAFSA completion numbers was in the height of the pandemic.

Those drops 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. 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. We applaud and appreciate states who adopted universal FAFSA completion.

We are grateful to the state aid programs and institutions that have delayed their enrollment deadline dates and held back aid for those impacted by reprocessing.

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.

The Education Department's FAFSA College Support Strategy gives needed help to under-resourced institutions, many of which enroll our students. We urge the Biden administration to allow flexible use of those funds to also support community-based organizations, school districts, and state aid agencies. We also appreciate next 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.

