

Shalanda Young, Acting Director
Office of Management and Budget
725 17th St., NW
Washington, DC 20503

Re: Docket ID OMB-2021-0005

Dear Acting Director Young:

The National College Attainment Network (NCAN) appreciates the opportunity to share our comments in response to the Office of Management and Budget (OMB)'s Request for Information on Methods and Leading Practices for Advancing Equity and Support for Underserved Communities Through Government.

NCAN's mission is to build, strengthen, and empower communities and stakeholders to close equity gaps in postsecondary attainment for all students. Drawing on the expertise of hundreds of organizational members across the U.S., NCAN is dedicated to improving the quality and quantity of support that underrepresented students receive to apply to, enter, and succeed in postsecondary education. Students from low-income schools served by NCAN member organizations are 26% more likely to enroll in postsecondary education directly after high school and 42% more likely to complete a credential or degree than students from low-income high schools nationally.

NCAN is pleased to see OMB's interest in removing barriers to access federal assistance, improving evidence-based equity assessments, and increasing usefulness of data. With this view, we write to provide the following recommendations to the U.S. Department of Education to advance equity and support underserved communities (Areas 1, 2, and 4 as laid out by OMB):

- Consider substantial changes to verification of financial information submitted through the Free Application for Federal Student Aid (FAFSA) (Area 2).
- Improve data transparency to ensure that federal agencies collect, report, and use inclusive and complete data through their equity assessments, strategies, impact measures, and everyday practices (Areas 1 and 2).
- Provide training materials and resources for the new FAFSA at least 90 days prior to the application cycle beginning (Areas 2 and 4).

Barrier and burden reduction: FAFSA verification

Being selected for FAFSA verification decreased students' likelihood of immediately enrolling in college the summer or fall following high school graduation by 3.8 percentage points, according to [recent research](#); and for students underrepresented in postsecondary education, verification's effect was even more deleterious and reduced the likelihood of enrollment by 5.8 percentage points.

Current ED regulations require the verification of the information submitted by a portion of FAFSA filers. Roughly half of all filers eligible for a Pell Grant are flagged for verification (contrast this with the fact that the IRS audits less than 1% of all tax filers with income up to \$500,000). According to NCAN's calculations, as many as 1 in 4 Pell-eligible applicants who are flagged for verification do not complete the process, denying them the financial benefit of a Pell Grant.

While FSA's verification selection rate has dropped from 22% to 18% for 2021-22 filers, [data released by FSA](#) for the 2019-20 cycle show that while 26.3% of all high school senior applicants were selected for verification, for Pell Grant-eligible high school seniors, that figure was 44.3%. Some obstacles include obtaining and completing different forms if students are applying to multiple schools, long waits for mailed IRS documents, and painful visits to records offices for death certificates.

While the 2024-25 award year will bring implementation of automatic data transfer from the FUTURE Act and a reduced number of questions on the new simplified FAFSA, more must be done, and sooner. NCAN recommends the following immediate actions:

1. Extend Verification Relief

Currently, during the pandemic emergency, institutions are permitted to accept alternate documentation to ease the verification process. This includes accepting a signed tax return instead of a tax transcript and accepting a signed letter of non-tax filing rather than the non-tax filer form 4506-T. NCAN recommends that these relief actions should be extended until the 2024-25 award year, and implementation of IRS data-sharing, when it can be revisited. Further, Federal Student Aid should actively promote via an Electronic Announcement their use at institutions, many of which use these as options as last resort rather than the default choice for students going through the verification process.

2. Continued adjustment to better targeted and lower verification percentage

For the first four quarters of the 2019-20 FAFSA filing cycle, over 70% of students who completed verification saw no change in their Expected Family Contribution (EFC). That number jumps to 9 out of 10 for students who filed the FAFSA and received an auto-zero EFC designation. Building on the evidence that students with an auto-zero EFC are unlikely to have a change in their Pell Grant award, ED could stop verifying these students. NCAN recommends that no more than 15% of FAFSA filers be flagged for verification and that those who are selected are targeted among filers with characteristics historically shown to have the biggest shifts in EFC.

Equity assessments and strategies, barrier and burden reduction: Data transparency

NCAN appreciates OMB's identification of data collection as a primary avenue to illuminate and diagnose inequities and to develop policy solutions that rectify difficulties faced by underserved students in Areas 1 and 2 of the Request for Information. To better identify and respond to inequities in postsecondary education, NCAN provides the following recommendations:

- 1. Prioritizing disaggregated data by race, ethnicity, and economic status.**
Disaggregation of federal data related to postsecondary attainment reveals inequitable

access and outcomes for students. Only after understanding disparities in attainment across racial, ethnic, and economic lines will institutions of higher education, as well as State and Federal agencies, be able to institute evidence-based, equity-focused policies. Additionally, disaggregated data collection for postsecondary access and outcomes aligns with the Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Efforts by ED and other agencies should disaggregate Federal Student Aid and College Scorecard data, as well as proactively implement policies to promote greater disaggregation of American and Pacific Islander (AAPI) student groups. This will respond to Area 1's question, "How might agencies collect data and build evidence in appropriate and protected ways to reflect underserved individuals and communities and support greater attention to equity in future policymaking?"

2. **Conducting equity impact assessments for all proposed policy changes.** For OMB to center equity in decision-making and policy development, a thorough understanding of the equity impacts of each policy under consideration for changes is critical. We recommend that OMB follow the Congressional Budget Office's (CBO) model of scoring bills based on their budget impact by analyzing the resource allocation and distribution to underserved communities for each of OMB's policy changes.
3. **Streamlining existing data between federal agencies to reduce duplication and ensure greater utility.** The federal government has made great progress in addressing data deficiencies in the postsecondary data infrastructure and should continue supporting efforts such as the Commission on Evidence-Based Policymaking and the Federal Data Strategy. Federal agencies should enter into data sharing agreements to prevent incomplete, duplicative, and inefficient data collection, as well as providing a comprehensive understanding of student pathways through postsecondary education and helping to deliver aid to underserved students. Additionally, the College Transparency Act, a bipartisan, bicameral piece of legislation supported by a wide array of organizations, would create a secure, privacy-protected data network that would count all students, track student outcomes, and streamline data systems.

Barrier and burden reduction, financial assistance: Provide training materials and resources for the new FAFSA at least 90 days prior to the beginning of the application cycle

NCAN applauds the efforts being made by ED and FSA to streamline and update the FAFSA in its implementation of the FAFSA Simplification Act. We believe these updates are much needed and will serve underrepresented students well.

In response to the question posed in Area 4, "What kinds of training and capacity building within agencies would support equitable grantmaking and financial assistance efforts?", we ask that ED/FSA publish training materials and resources for students, school counselors, financial aid

administrators and for support organizations, like many of NCAN's members, 90 days prior to the first application cycle to be completed using the new FAFSA system.

As recognized by ED and mentioned earlier surrounding FAFSA verification processes, the completion of the FAFSA is incredibly important in helping underserved students access postsecondary education but can also be burdensome. Our members strive to assist students in completing this important step in their postsecondary journey and look forward to working with the updated system but will need adequate time to adjust to the new process and software. If training materials and support documents are released 90 days ahead of the application cycle, students and support organizations will have adequate time to familiarize themselves with the new FAFSA. This will prevent delays in learning how to navigate the new system and ensure that as many students as possible are able to complete the FAFSA ahead of the application deadline.

Conclusion

NCAN appreciates the Administration's intent to address inequities, including in postsecondary education. By altering the FAFSA verification process to better identify potential inaccuracies, revamping Federal postsecondary data collection systems to disaggregate data and conduct equity assessments, and releasing important training materials and resources 90 days before the new FAFSA is launched, OMB and other Federal agencies will make great progress in helping our nation's underserved postsecondary students achieve their fullest potential.

If you have any questions, please contact: Carrie Warick, NCAN's director of policy and advocacy, at 202-347-4848 ext. 203, warickc@ncan.org.

Sincerely,

Kim Cook

A handwritten signature in black ink that reads "Kim Cook". The signature is written in a cursive, flowing style.

Executive Director

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