After the FAFSA:
How Colleges Can Help More Students Get the Financial Aid They Need to Succeed

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Many Applicants Miss Out on Aid


• About 100,000 students filed a FAFSA and were income-eligible for a Pell grant but did not receive one.

Green Lights & Red Tape: Increasing Access to Financial Aid at California’s Community Colleges (TICAS, 2007)

• Financial aid policies and practices vary across colleges and can influence students’ ability to apply for and receive aid.
## Pell Eligibility and Pell Grants

<table>
<thead>
<tr>
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<th>National CCs, NPSAS:08</th>
<th>California CCs, NPSAS:08</th>
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</thead>
<tbody>
<tr>
<td>Pell-eligible applicants</td>
<td>66%</td>
<td>72%</td>
</tr>
<tr>
<td>Pell-eligible applicants receiving Pell</td>
<td>75%</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: TICAS analysis of National Postsecondary Student Aid Study, 2007-08, undergraduates.
Our Objectives

To use college data to provide information on the FAFSA application process:

• How many students start the process but do not finish

• Where Pell-eligible students might be getting lost in the aid application process

• How the process varies across campuses
Data and Methodology Overview

Obtained and analyzed FAFSA data from thirteen California community colleges that use Banner for financial aid data, in 2007-08

Wide variation in size and geography, ranging between 800 – 11,000 applicants per college

Surveyed colleges about communications, policies, and practices

Surveyed Pell-eligible students who had not completed the process
How many students...?

Source: The Institute for College Access & Success, *After the FAFSA*
Share of Pell-eligible Applicants Receiving Disbursements

Source: The Institute for College Access & Success, After the FAFSA
Overall, students selected for verification were 7% less likely than other Pell-eligible students to receive a Pell disbursement.

Source: The Institute for College Access & Success, *After the FAFSA*
Few Changes in Pell-eligibility

Few students gained or lost Pell eligibility throughout the application process.

- Remained Eligible: 96%
- Became Eligible: 2%
- Lost Eligibility: 2%

Source: The Institute for College Access & Success, *After the FAFSA*
### Verification Selection and Payment Rates of Pell-Eligible Applicants, by EFC Formula Type

<table>
<thead>
<tr>
<th>EFC Formula Type</th>
<th>Share Selected for Verification</th>
<th>Share of All Applicants Paid Pell</th>
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</thead>
<tbody>
<tr>
<td>Auto-Zero, Dependent</td>
<td>69.4%</td>
<td>70.3%</td>
</tr>
<tr>
<td>Auto-Zero, Independent with dependents</td>
<td>61.9%</td>
<td>60.3%</td>
</tr>
<tr>
<td>Simplified Needs Test, Dependent</td>
<td>55.1%</td>
<td>71.6%</td>
</tr>
<tr>
<td>Simplified Needs Test, Independent with no dependents</td>
<td>46.5%</td>
<td>60.8%</td>
</tr>
<tr>
<td>Simplified Needs Test, Independent with dependents</td>
<td>43.8%</td>
<td>64.3%</td>
</tr>
<tr>
<td>Full Needs Test, Dependent</td>
<td>76.6%</td>
<td>64.1%</td>
</tr>
<tr>
<td>Full Needs Test, Independent with no dependents</td>
<td>44.2%</td>
<td>56.1%</td>
</tr>
<tr>
<td>Full Needs Test, Independent with dependents</td>
<td>55.5%</td>
<td>55.7%</td>
</tr>
</tbody>
</table>

Source: The Institute for College Access & Success, *After the FAFSA*
We surveyed over 250 enrolled, Pell-eligible students who still needed to complete the aid application process.

Nearly two-thirds (62%) of respondents either didn't know the status of their application, or incorrectly identified it as being complete.

Two-thirds (67%) contacted the financial aid office; three-quarters (77%) of those who did found it somewhat or very helpful. About a quarter (26%) called the federal FAFSA hotline.

Nearly three-quarters (72%) applied for financial aid because of living costs (duplicated).
Perceived Difficulty by Application Timing

Excludes respondents who perceived the FAFSA as neither easy nor difficult.
Students Say...

- “The verification process takes too long...I had to drop half of my classes because I didn’t have money for books.”

- “This has been a very frustrating process. I got the paperwork they requested and turned it in, but was told they lost it.”

- “I work a full-time job and don’t have time to come during the day to show my ID. It seems to be a big hassle to finish this process.”
“There are all kinds of things in there that stop the student at the verification process, and if they don’t identify themselves to us and ask for help then they fall off the deep end.”

“Verification doesn’t change their EFC much...that’s where it’s kind of unfortunate that the student has to complete verification.”

“Maybe we’ve made the system so complex that students just give up.”

“We’re concerned about this issue, so we stopped requesting additional documents from students.”
Communications with Students

Colleges typically develop their own documents to convey similar types of information. These can vary broadly, including in language, tone, and content.

EXAMPLE:
“No financial aid awards will be made until the file is complete and your eligibility determined.”

versus

“The earlier the forms/documents are submitted, the sooner you will know your eligibility for financial assistance.”
Communications Variance

- Which words are underlined or in bold type?
- Are they focused on what students should do (return forms on time) or what they should not do (return forms late)?
- Would students know where to go if they have questions?
Pointing out the variance among colleges can help schools reevaluate and amend current practices

- Some colleges amended their practices and communications as a result of participating in the study
  - “I guess that sounds kind of harsh.”
- One financial aid director intends to look at these issues over time as measures of effectiveness
- All colleges can replicate these types of queries on their population as suitable
Recommendations for Colleges

• Reconsider steps not required by federal or state regulations

• Do not verify more students than necessary

• Review communications from a student-centered perspective

• Provide adequate funding for financial aid offices
Final Verification Regulations

- IRS data imported to FAFSA do not need to be verified
- Removes the 30% cap on the share of applicants that colleges need to verify – all flagged applicants need to be verified
- Must only confirm the accuracy of specific items flagged for possible errors, rather than a fixed list of items
Thank you!

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