Exploring Ways to Enhance FAFSA Efficiency: FAFSA and the Free College Movement

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THE CENTURY FOUNDATION

NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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Overview

About 19 million people submit a Free Application for Federal Student Aid (FAFSA) each year,[1] making it one of the most commonly experienced federal administrative processes. The widespread reliance on the complicated form and underlying calculation of financial need have spurred efforts to simplify and improve the application process and associated aid formula, called the Federal Methodology (FM), which uses the data provided to assess a family's Expected Family Contribution (EFC) to college costs.[2]

Moving to a higher education system that finances public education upfront and makes tuition free would alleviate some of the reliance on means testing and thus on the FAFSA process. But most state free tuition college programs still rely on the FAFSA, and federal proposals that provide means-tested non-tuition aid through the Federal Pell Grant similarly assume the continued use of the form. Federal free college efforts in particular, then, should trigger a rethink and significant overhaul of the process to receive non-tuition aid to ensure that low-income students are adequately served by the new system.

Background

Proposed improvements to the FAFSA form and FM formula seek to address a number of problems. Far too many students who may have qualified for federal aid do not complete the FAFSA process and collectively miss out on billions of dollars in aid for which they are eligible. A simpler FAFSA process may remove a barrier to receiving aid and thus enrolling (or re-enrolling) in college,[3] and a simpler formula may make it easier for the millions of students who overestimate costs to understand what aid is available to them.[4] Finally, changes to the formula itself may also ensure that students with significant financial aid who should receive aid but do not, and those who receive too little aid relative to their need, qualify for adequate aid packages.

But would those fixes become unnecessary if state or federal higher education financing moved away from such a heavy reliance on means-tested financial aid and toward a free college or debt-free higher education system?

Reducing reliance on the means-testing—i.e., conditioning eligibility for a benefit based on income or wealth—which the FAFSA is designed to facilitate, is certainly one of the goals. Efforts to move toward a free college system, where tuition dollars are publicly financed up front rather than partially privately paid for by individual families out of pocket at "point of service," are intended to address a number of challenges in the current public higher education system.[5] First, federal and state chronic underfunding of means-tested aid—aid that lacks the middle- or upper-middle-class political constituency that would come with universal free college benefits—often

[1] Carrie Warick, *Over a Quarter-Million FAFSA Filers Added With Prior-Prior Year Tax Data Change,* (Washington, DC: The National College Access Network, January 9, 2019), https://www.ncan.org/news/news.asp?id=456066.

[2] Kim Rueben, Sarah Gault, and Sandy Baum *Simplifying Federal Student Aid: An Overview of Eight Plans*, (Urban Institute, 2015), https://www.urban.org/research/publication/simplifying-federal-student-aid-overview-eight-plans

[3] Eric P. Bettinger, Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu, "The Role of Application Assistance and Information in College Decisions: Results from the H&R Block FAFSA Experiment," *The Quarterly Journal of Economics,* 127, no. 3, (August 2012): 1205–1242. https://academic.oup.com/qje/article-abstract/127/3/1205/1921970?redirectedFrom=fulltext.

[4] Anna Helhoski, "How Students Missed Out on $2.3 Billion in Free College Aid," Nerdwallet, Oct. 9, 2017, https://www.nerdwallet.com/blog/loans/student-loans/missed-free-financial-aid/; Sara Adan, *How States Can Deliver a More Effective College Affordability Message*, (New York: The Century Foundation, October 22, 2019), https://tcf.org/content/report/states-can-deliver-effective-college-affordability-message/.

[5] This paper only considers the impact of free and debt-free college efforts on public higher education. While some state and federal proposals do envision including private institutions as a part of these programs, the ways they are included vary so significantly, and there is so little consensus on how they should participate, that we leave that question for another day.

results in high, unmanageable, and/or inequitably held student debt levels amongst people who do enroll.[6] Second, the real barriers created by high costs stop many students from enrolling or lead students to drop out. And finally, confusion and misinformation about the actual cost of college in the means-tested aid model mean too many people choose not to apply for college, perceive more limited choices in colleges than they may actually face due to cost, or do not apply for financial aid.[7] Some supporters of free college programs see these problems as making a clear case that higher education should be a universally provided public good rather than a means-tested benefit. Others—particularly more conservative state-level supporters—may view their programs in less expansive terms. They often describe their free college efforts as solving narrower workforce challenges that still result from gaps in specific information and funding.[8]

Indeed, addressing the lack of understanding about financial aid, the complexity of the aid process, and the limitations in accurately and efficiently identifying who has financial need and who does not, are often shared goals across politically divergent researchers, advocates, state and federal policymakers, and grassroots supporters have rallied behind a financing structure centered around a simpler "free," or "debt-free," promise to students.[9]

In theory, eliminating the requirement to demonstrate financial need would remove the administrative and formula-based hurdles associated with the FAFSA for students receiving aid for tuition. Such hurdles are particularly challenging for many low-income and first-generation students, who may have less support in filling out a complex application and have less information about financial aid.[10] Middle-class students who currently receive no grant support under the definition of financial need in FM, but who face higher tuition bills than previous generations, would also automatically get the benefit. Students from families for whom the FAFSA does not accurately reflect their current financial situation for any number of reasons would not be left out. And many low-income students would get a bigger benefit than they currently get through Pell Grants (many low-income students can already cover tuition through means-tested aid, but many others cannot).

[6] See Jen Mishory, Mark Huelsman, and Suzanne Kahn, *How Student Debt and the Racial Wealth Gap Reinforce Each Other* (New York: The Century Foundation, September 9, 2019), https://tcf.org/content/report/bridging-progressive-policy-debates-student-debt-racial-wealth-gap-reinforce/?agreed=1; for example, in the University of California system, which receives significant sums of money from the state's need-based state grant aid and spends almost $750 million on need-based institutional aid, student debt levels for low-income students are still higher than for upper-middle-class and wealthier students. And in addition to debt, increases in tuition have been found to harm racial/ethnic diversity at community colleges and open-access public universities. See Drew Allen and Gregory C. Wolniak, "Exploring the Effects of Tuition Increases on Racial/Ethnic Diversity at Public Colleges and Universities," Research in Higher Education 60, no. 1, (February 2019): 18-43, https://link.springer.com/article/10.1007/s11162-018-9502-6.

[7] Suzanne Kahn, *A Progressive Framework for Free College,* (New York: The Roosevelt Institute, December 18, 2019), https://rooseveltinstitute.org/a-progressive-framework-for-free-college/;
Ganesh Sitaraman and Anne L. Alstott, *The Public Option: How to Expand Freedom, Increase Opportunity, and Promote Equality* (Cambridge, MA: Harvard University Press, 2019).

[8] For example, Indiana's commissioner of higher education stated upon the introduction of the state's tuition-free certificate program, "We're aware of what's happening in Tennessee and other states, but we wanted to send a message to Hoosiers that if you come back and get a certificate in a high value area … then we will pay for it." Upon the introduction of a similar certificate program, Kentucky's secretary of education and workforce development stated, "We want to get people on the first or second rung of the employment ladders, where there are a lot of open jobs … We wanted to be very targeted, knowing that if people get on those rungs, they'll likely continue with their education." Ashley A. Smith, "The Free Certificate Movement," *Inside Higher Ed,* March 24, 2017, https://www.insidehighered.com/news/2017/03/24/indiana-creates-free-tuition-program-certificate-earners;
Linda Blackford, "Bevin Replaces Plan for Free Two-year Degrees with Free Certificate Programs," *The Lexington Herald-Leader,* April 11, 2017, https://www.kentucky.com/news/local/education/article143994754.html.

[9] Sara Goldrick-Rab and Michelle Miller-Adams, "Don't Dismiss the Value of Free-College Programs. They Do Help Low-Income Students," *The Chronicle of Higher Education*, September 7, 2018, https://www.chronicle.com/article/Don-t-Dismiss-the-Value-of/244468; Kahn, *A Progressive Framework for Free College.*

[10] For research on low-income families' challenges completing the FAFSA, see Susan M. Dynarski and Judith E. Scott-Clayton, *The Cost of Complexity in Federal Student Aid: Lessons from Optimal Tax Theory and Behavioral Economics,* (NBER Working Paper #12227, (May 2006): https://www.nber.org/papers/w12227 and Kenneth Megan, *Improving the FAFSA for Low-income Families,* (Bipartisan Policy Center, April 2019), https://bipartisanpolicy.org/blog/improving-the-fafsa-for-low-income-families/.

Certainly, a simpler financing system would significantly benefit many students, particularly assuming the new system does not pull resources that would have otherwise gone to covering non-tuition costs for low-income students, a critical question discussed below. Such a system would reduce the stakes to getting the FAFSA "right." Providing a promise of at least free tuition, theoretically regardless of whether a student successfully completes a FAFSA, makes the available benefit clearer, lessens the likelihood that persons will be unable to attend, and likely reduces the overall debt levels for students.

However, how much simpler the free college system becomes, and how far the new system goes to address those problems, depends on the design of the free college program, particularly in state-level programs that rely on Pell Grants or at private institutions. It also does not, on its own, simplify the system for students who will still rely on means-tested non-tuition aid to cover living expenses associated with attending college.

Current state-level free college designs complicate the question of simplifying administrative hurdles for students in paying for college. Most state programs rely extensively on federal sources of financing, such as Pell Grants, to help cover the cost of their "promise" of free college—which means students must still complete a FAFSA to get the free tuition benefit. They must also complete the FAFSA to get grants and loans to help pay for non-tuition costs (i.e., housing, transportation, health care, etc.). In fact, for many low-income community college students, tuition costs are already covered by aid, and their focus will continue to be attaining aid for non-tuition costs.[11] As a result, even if the message is simpler under a "free college" policy, the process may or may not be. This creates a significant incentive for states to weigh in and support efforts to fix the FAFSA process.

Federal-level proposals also still rely on the FAFSA. Federal proposals that make "debt-free" promises—assuring students that they will not have to take out loans to pay for tuition or non-tuition costs—assume continued provision of state need-based aid (which in turn generally relies on the FAFSA) and also rely on the FAFSA to calculate financial need and, thus, the amount of aid a student qualifies for to eliminate a need to borrower.[12] And many free tuition-focused plans also promise to reduce non-tuition cost burdens or even create "debt-free" options by retaining and expanding Pell Grants to cover non-tuition costs for low-income students, while others cap the free tuition benefit.[13] Doing so, then, still relies on an application and a formula—meaning

[11] See Jennifer Ma, Sandy Baum, Matea Pender, and CJ Libassi, "Average Net Price: Public Two-Year" in *Trends in College Pricing 2019,* (New York: The College Board, November 2019), 17, https://research.collegeboard.org/trends/college-pricing. This continued need to focus on is evident in a state such as California; despite having the lowest tuition at its community colleges of any state, and the fact that almost half of all enrollees have their fees waived entirely, students still struggle with non-tuition costs. See *What College Costs for Low-Income Californians,* (Oakland, CA: The Institute for College Access and Success, January 2019), https://ticas.org/wp-content/uploads/legacy-files/pub_files/what_college_costs_for_low-income_californians_0.pdf.

[12] Sen. Warren's plan for free tuition would maintain current levels of state need-based aid, and it would use the Pell Grant as the basis for non-tuition aid. See Elizabeth Warren, "I'm Calling for Something Truly Transformational: Universal Free Public College and Cancellation of Student Loan Debt," *Medium,* April 22, 2019, https://medium.com/@teamwarren/im-calling-for-something-truly-transformational-universal-free-public-college-and-cancellation-of-a246cd0f910f.
The College Affordability Act contains a federal-state partnership for college affordability, and it would increase the value of the Pell Grant. See *College Affordability Act,* (HR 4674), 116th Congress 1st sess., introduced in House Oct. 30, 2019, https://www.congress.gov/bill/116th-congress/house-bill/4674?q=%7B%22search%22%3A%5B%22college+affordability+act%22%5D%7D&s=1&r=4;
The Debt-Free College Act of 2019 would establish a federal-state partnership for debt-free college, and it would use the FM to estimate the student's unmet financial need. *See Debt-Free College Act of 2019,* (S.672).

[13] Sen. Warren's proposal would provide free tuition and an additional $100 billion investment in Pell Grants to create debt-free options for students. See Elizabeth Warren, "I'm Calling for Something Truly Transformational"; Sen. Sanders' proposal would increase the Pell Grant to cover low-income students' non-tuition costs, including housing, books, and transportation. See Bernie Sanders, "College for All and Cancel All Student Debt," Bernie, n.d., https://berniesanders.com/issues/free-college-cancel-debt/; Mayor Buttigieg's plan would provide free tuition for students from families earning up to $100,000 and provide supplemental Pell Grants to low-income students to cover some basic needs such as food and housing. See Pete Buttigieg, "The American Opportunity Agenda: Affordable College, Stronger Workforce Development, and Lifelong Learning," Citizenry, n.d., https://citizenryhq.com/plans/The-American-Opportunity-Agenda-Affordable-College-Stronger-Workforce-Development-and-Lifelong-Learning-5710643613138944; Vice President Biden's plan would provide free community college tuition and double the value of the Pell Grant. See "The Biden Plan for Education Beyond High School," Biden for President, n.d., https://joebiden.com/beyondhs/; Senator Klobuchar's plan would also provide free community college tuition, expand Pell eligibility, and double the maximum Pell Grant award. See Amy Klobuchar, "Senator Klobuchar's 'Many Paths to Success' Postsecondary Education Plan", *Medium,* October 25, 2019, https://medium.com/@Amy_Klobuchar/senator-klobuchars-many-paths-to-success-post-secondary-education-plan-8df6bf538727.

that reforming that process must be a part of those efforts. In other words, any future significant federal investment creating free or debt-free college on a national scale would be remiss if it did not drastically simplify and reform the provision of means-tested financial aid for students who struggle with non-tuition costs or who must complete the FAFSA to qualify for free college programs.

Free College Programs

In the past five years—since state policymakers first introduced the Tennessee Promise and President Obama followed with a federal free college proposal—states have enacted 15 new financial aid programs that may be considered "free college."[14] In all, 19 states are running a total of 22 programs where a significant subset of residents are guaranteed at least free tuition.[15]

Statewide programs vary considerably. Older programs are more likely to provide a first-dollar benefit, meaning participants can use other funding sources like the Pell Grant to cover non-tuition costs. They are also more likely to include four-year institutions and to have an income cap on participation.[16] Newer, post-2015 programs are more likely to be last-dollar community college programs—using state dollars to pay the tuition balance leftover after Pell Grants are applied—with other eligibility limitations based on criteria such as enrollment intensity, age, or area of study, often as cost containment measures.[17] Those kinds of eligibility restrictions can be significant, and, as a result, most statewide programs are not available to the vast majority of their student population—and often leave out students who would most benefit from the help.[18] Programs designed as last dollar with cost containment-focused eligibility restrictions also raise questions of equity. The clear message generated by the free college promise can have a significant impact on the enrollment of low-income students,[19] but often the actual new state resources are spent disproportionately on upper-middle-income or wealthy students who do not already receive Pell Grants, while not addressing non-tuition cost barriers for low-income students and leaving out many part-time and older students.[20]

[14] Jen Mishory and Peter Granville, *Policy Design Matters for Rising 'Free College' Aid,* (New York: The Century Foundation, June 6, 2019), https://tcf.org/content/commentary/policy-design-matters-rising-free-college-aid/.

[15] Ibid.

[16] For example, the Oklahoma Promise and the Indiana 21st Century Scholars program provide a first-dollar tuition-free guarantee to students under certain income caps who meet other requirements.
See Jen Mishory, *The Future of Statewide College Promise Programs,* (New York: The Century Foundation, March 6, 2018), https://tcf.org/content/report/future-statewide-college-promise-programs/.

[17] See Mishory. *The Future of Statewide College Promise Programs,* and Mishory and Granville, *Policy Design Matters for Rising "Free College" Aid.*

[18] Jen Mishory, "'Free College:' Here to Stay?", (New York: July 12, 2018), https://tcf.org/content/report/free-college-stay/.

[19] Research into the impact of last-dollar, rather than first-dollar, programs is nascent. Some research (Carruthers and Fox, 2016) has found that the predecessor to the Tennessee Promise scholarship, the Knox Achieves scholarship, increased enrollment at community colleges but not at public four-year institutions. Other research (Gurantz, 2020) found that the Oregon Promise scholarship, a last-dollar free community college program, increased in enrollment at community colleges in its first two years, but in the first year the increase coincided with a decrease in enrollment at public four-year institutions. It is not yet evident whether last-dollar state programs are likely to increase enrollment in a state overall.
Celeste K. Carruthers and William F. Fox, "Aid for All: College Coaching, Financial Aid, and Postsecondary Persistence in Tennessee," *Economics of Education Review 51,* (2016): 97-112, https://www.sciencedirect.com/science/article/abs/pii/S0272775715000771; Oded Gurantz, "What Does Free Community College Buy? Early Impacts from the Oregon Promise," *Journal of Policy Analysis and Management 39,* no. 1, (Winter 2020): 11-35, https://onlinelibrary.wiley.com/doi/abs/10.1002/pam.22157.

[20] Jen Mishory, *The Future of Statewide College Promise Programs,* (New York: The Century Foundation, March 6, 2018), https://tcf.org/content/report/future-statewide-college-promise-programs/.

Federal proposals, on the other hand, are generally first-dollar programs designed as a federal - state match.[21] The federal government provides most (typically around 75%) of the funding to cover tuition for all students enrolled in community colleges, or in some proposals, in four-year (primarily public) degree programs. States that opt to participate must cover the 25% of tuition costs left over. Most of those tuition-focused proposals now also include a significant increase in aid available to cover non-tuition costs.[22] Debt-free proposals similarly send a percentage of the cost of covering unmet need for all students enrolled in public colleges in a state, expecting the states to cover the balance, and may or may not incorporate a guarantee of free tuition for some or all students.[23] The more expansive federal proposals require a far higher level of public investment than the narrower state programs.

Financing college through up-front public investment, rather than point-of-service private subsidization (tuition), offers a number of potential benefits. Research on first-dollar programs has shown positive effects on enrollment,[24] persistence, and completion.[25] And a reduction in the reliance on student debt to finance college not only affects the outcomes described above (enrollment, persistence, completion), but also makes post-college life more financially stable for millions of students who would otherwise carry unmanageable debt burdens or for whom debt burdens influence their other financial decisions. Given the inequitable impact that debt financing has by race and gender, it may also help address, or at least not perpetuate, wealth gaps.

However, non-tuition costs remain a barrier for many students, and failure to provide grant aid to pay those costs may stymie the objectives of universal, equitable access to college and reducing debt. In Sweden, for example, their free tuition-only system (and robust social safety net) still results in an average of about $21,000 in loan debt for the three-quarters of students who borrow for non-tuition costs.[26] However, even as many proposals include provisions to expand financial aid to cover non-tuition costs, few, if any, proponents of free college define the free benefit as covering full cost of attendance.[27] This means that while tuition may become a universal benefit, non-tuition costs will remain means-tested. Absent a universal benefit for non-tuition costs on the scale of the GI Bill housing benefit, which provides a locally adjusted monthly benefit to veterans regardless of income, a means-tested structure reintroduces complications back into the system for students who cannot pay those costs out of pocket.

[21] Jen Mishory, *College Affordability Act Makes Down Payment on Debt-Free College,* New York: The Century Foundation, December 11, 2019, https://tcf.org/content/commentary/college-affordability-act-makes-payment-debt-free-college/.

[22] See, for example, the America's College Promise program included in the College Affordability Act and the college affordability proposals advanced by Sen. Sanders, Sen. Warren, Vice President Biden, and Mayor Buttigieg. College Affordability Act, HR 4674, 116th Congress, 1st sess., introduced in House Oct. 30, 2019, https://www.congress.gov/bill/116th-congress/house-bill/4674?q=%7B%22search%22%3A%5B%22college+affordability+act%22%5D%7D&s=1&r=4.
Bernie Sanders, "College for All and Cancel All Student Debt"; Elizabeth Warren, "I'm Calling For Something Truly Transformational"; Joseph Biden, "The Biden Plan for Education Beyond High School"; Pete Buttigieg, "The American Opportunity Agenda."

[23] See, for example: *College Affordability Act,* (HR 4674), 116th Congress, 1st sess., introduced in House Oct. 30, 2019, https://www.congress.gov/bill/116th-congress/house-bill/4674?q=%7B%22search%22%3A%5B%22college+affordability+act%22%5D%7D&s=1&r=4.
CAP Postsecondary Education Team, "Beyond Tuition," (Washington, DC: The Center for American Progress, June 20, 2018), https://www.americanprogress.org/issues/education-postsecondary/reports/2018/06/20/451899/beyond-tuition/.
Jen Mishory, "The Path to Debt-Free College," (New York: The Century Foundation, September 25, 2019), https://tcf.org/content/report/path-debt-free-college/.
Debt-Free College Act of 2019, (S.672), 116th Congress, 1st sess., introduced in Senate March 6, 2019, https://www.congress.gov/bill/116th-congress/senate-bill/672?q=%7B%22search%22%3A%5B%22debt+free+college+act%22%5D%7D&s=3&r=1.

[24] See Table 1 in Amy Li and Jen Mishory, *Financing Institutions in the Free College Debate*, (New York: The Century Foundation, December 12, 2018), https://tcf.org/content/report/financing-institutions-free-college-debate/.

[25] Timothy J. Bartik, Brad J. Hershbein, and Marta Lachowska, *The Effects of the Kalamazoo Promise Scholarship on College Enrollment, Persistence, and Completion,* Upjohn Institute Working Paper 15-229, (Kalamazoo, MI: The W.E. Upjohn Institute for Employment Research, December 1, 2017), https://research.upjohn.org/cgi/viewcontent.cgi?article=1246&context=up_workingpapers.

[26] Mishory, Huelsman, and Kahn, *How Student Debt and the Racial Wealth Gap Reinforce Each Other.*

[27] Kahn, *A Progressive Framework for Free College.*

FAFSA and Free College

Specific policy design decisions influence how a free college program relies on traditional means-tested processes and, thus, how changing the current administrative process and formula will impact participants in the program.

State Programs

State programs still rely on the FAFSA in several ways. First, most states rely on a last-dollar model. This means completing a FAFSA is often mandatory for participation in state programs: Fifteen promise programs explicitly require that participants complete the FAFSA every year they participate in the program (see Appendix A). At least three states explicitly require not only that a student must complete a FAFSA, but also that, if selected, the student must move through the verification process[29] (providing documentation to prove income or the number of siblings in colleges, for example) in order to qualify for the state grant. This means low-income students have additional process to move through, given that low-income students are more likely to be chosen for verification.[30] Second, a state may rely on an assessment of eligibility for a program based on data collected on the FAFSA form. And finally, even first-dollar programs rely on Pell and federal loan dollars for non-tuition costs. Presumably, if the programs are effective, they will increase enrollment by low-income students—increasing the reliance on the form.[31]

A notable exception is California's Board of Governors waiver, more recently reconstituted as the California College Promise Grant. It provides students with a waiver for college fees (the state's equivalent of tuition), and while students may complete a FAFSA to show they qualify, they may also fill out a form stating their income or show that they qualify for other public benefits.[32] As a result, over 40% of community college students in the

[28] Some state programs do cover some minimal costs beyond tuition. The Oregon Promise includes up to $1,000 in aid beyond tuition, the Hawaii Promise provides some support for books, supplies, and transportation, and the Washington College Bound grant includes a stipend for books. See the table of program design elements in Mishory and Granville, *Policy Design Matters for Rising "Free College" Aid.*

[29] FAFSA verification is the process by which applicants must confirm the accuracy of the information entered on their FAFSA submission of original documentation. Possible documents required for submission include tax transcripts, high school diplomas, birth or death certificates, confirmation of other family members' college enrollment, and letters from the IRS (e.g. stating that the applicant did not file taxes). Verification is intended to minimize the number of Pell Grants erroneously distributed to ineligible students. The U.S. Department of Education selects applicants for verification and the data to be verified based on its estimates of fraud risk. Verification's negative impact on the federal aid receipt among low-income students, including those who are legitimately eligible, has been well-documented: See Carrie Warick, "How FAFSA Verification Harms Low-Income Students and What ED Can Do To Help," (Washington, DC: The National College Access Network, November 27, 2018), https://www.ncan.org/news/news.asp?id=456078.

[30] According to the website for the Oregon Promise program, "Students must complete verification promptly, or they risk losing their Oregon Promise award." In Maryland and New Jersey, students who are selected for verification must complete it before their eligibility can be evaluated for the Maryland Community College Promise Scholarship or the New Jersey Community College Opportunity grant, respectively, which both depend on family income. This is true as well for the Tennessee Promise grant, although eligibility is not based on income. (See the Maryland Higher Education Commission website at Maryland https://mhec.state.md.us/preparing/Pages/FinancialAid/ProgramDescriptions/prog_MDCommunityCollegePromiseScholarship.aspx); information provided to authors by financial aid administrators in Tennessee and New Jersey, via personal correspondence.)

[31] First-dollar programs are shown to increase college enrollment, which would likely increase FAFSA use. It is unclear whether last-dollar programs will result in a similar increase, although early evidence shows that Tennessee has seen an overall increase in college going (64.5% in 2014 and 69.7% in 2016), and its FAFSA completion rate increased alongside the introduction of the Tennessee Promise grant; see *College-Going Rates of High School Graduates - Directly from High School,* (Boulder, CO: The National Center for Higher Education Management Systems, n.d.), http://www.higheredinfo.org/dbrowser/?year=2016&level=nation&mode=map&state=0&submeasure=63; see also Ashley A. Smith, "The Impact of Free Tuition," *Inside Higher Ed,* March 17, 2015, https://www.insidehighered.com/news/2015/03/17/high-tenn-promise-participation-numbers-boost-fafsa-completion-rates-state.

[32] See page 11 of *Community College Promise Grant (CCPG) and Special Programs Manual,* Sacramento, CA: California Community Colleges Chancellor's Office, revised October 2019, https://www.cccco.edu/-/media/CCCCO-Website/Files/Educational-Services-and-Support/Manuals/ess-2019-revised-ccpg-manual.ashx?la=en&hash=22F293737C430C07C6DA326CDAF703111FE0F9C2.

state receive a fee waiver, but less than half of those recipients qualified by completing a FAFSA.[33] However, this also means that potentially hundreds of thousands of students who could receive Pell support may not complete the FAFSA to get that aid for non-tuition costs, which can be substantial. In fact, low-income students in California see the highest total cost of attendance at the community colleges rather than four-year institutions.[34]

Federal Proposals

Federal policymakers have introduced four different bills containing some form of free or debt-free college guarantee, and all of those proposals still rely on the FAFSA in some form (see Appendix B). Federal match programs such as the America's College Promise (ACP) pledge of free community college tuition provides 75% of the cost of the average community college tuition from federal funds, expecting states to cover the balance.[35] The College Affordability Act (CAA) proposes to incorporate ACP, and also to match funds for unmet financial need (though it does not fund that portion of the program).[36] Both of those proposals would require an assessment of financial need for accessing non-tuition costs and, in the case of the CAA, determining the federal-state match for non-tuition funds.

Proposals from current and former presidential candidates also generally provide some combination of a free tuition benefit and an expansion of the Pell Grant: Sen. Warren proposed a free tuition benefit and increasing Pell dollars by $100 billion, creating debt-free pathways; Mayor Pete Buttigieg proposed a capped free tuition benefit and Pell Grants expansion; Sen. Klobuchar proposed making community college tuition-free and doubling the Pell Grant maximum, as did former Vice President Biden, later expanding the proposal to include a provision making public colleges free for families earning up to $125,000.[37] Sen. Sanders' College for All Act, which initially focused on just free tuition,[38] evolved to providing universal free tuition and using the Pell program to cover enough non-tuition costs that a student would not need to take out loans.[39] And the federal debt-free college congressional proposals introduced by Sen. Brian Schatz (D-HI) and Rep. Mark Pocan (D-WI) fulfill their guarantee by calculating the unmet need of students after Pell receipt.

In other words, all of those proposals—even the ones proposing large-scale universal free tuition benefits—would still require some sort of federal determination of need and administration of aid for public colleges, and most would also require a determination of need for all aid going to private colleges.

[33] Statistics provided to the authors by California Community Colleges Chancellor's Office staff.

[34] "What College Costs for Low-Income Californians," The Institute for College Access and Success.

[35] "America's College Promise" is a component of the College Affordability Act. See *College Affordability Act*, (HR 4674), 116th Congress, 1st sess., introduced in House Oct. 30, 2019, https://www.congress.gov/bill/116th-congress/house-bill/4674?q=%7B%22search%22%3A%5B%22college+affordability+act%22%5D%7D&s=1&r=4.

[36] Jen Mishory, *College Affordability Act Makes Down Payment on Debt-Free College*, (New York: The Century Foundation, December 11, 2019), https://tcf.org/content/commentary/college-affordability-act-makes-payment-debt-free-college/.

[37] See Elizabeth Warren, "I'm Calling for Something Truly Transformational"; Pete Buttigieg, "The American Opportunity Agenda: Affordable College, Stronger Workforce Development, and Lifelong Learning";; Amy Klobuchar, "Senator Klobuchar's 'Many Paths to Success' Postsecondary Education Plan." Biden for President, "The Biden Plan for Education Beyond High School".

[38] Bernie Sanders, "College for All and Cancel All Student Debt."

[39] See the College for All Act and Sen. Warren's proposal for reform to federal student aid: College for All Act, (HR 3472), 116th Congress, 1st sess., introduced in the House June 25, 2019, https://www.congress.gov/bill/116th-congress/house-bill/3472?q=%7B%22search%22%3A%5B%22college+for+all+act%22%5D%7D&s=1&r=1;
Elizabeth Warren, "I'm Calling for Something Truly Transformational."

Existing FAFSA Reform Proposals

Researchers and policy organizations have proposed a number of changes to the FAFSA application and underlying formula. Those proposals have been modeled and assessed for their impact on Pell eligibility and award levels. But with the increased attention on free college design, it is worth assessing the impact of those proposals on both state free college programs and federal proposals.

One-Time FAFSA

Because so few students' financial circumstances that change throughout the course of their college education, researchers have proposed only requiring students to complete a FAFSA at the start of their college career.[40] Annual FAFSA renewal only produces minimal changes in aid eligibility; at the same time, about 16% of first-year students who receive aid do not renew their FAFSA, potentially losing significant aid. Moreover, avoiding renewals also reduces college spending on processing aid.[41] The House version of the Higher Education Act reauthorization, the CAA, incorporates this proposal for dependent Pell recipients.[42]

For states that use FAFSA data to determine eligibility for receipt of state aid, it would be simple to allow Pell recipients to not renew. Presumably, the seven states (see Appendix A) that utilize some of the data from the FAFSA to check eligibility under state free college parameters would have to choose whether to allow Pell Grant recipients to continue receiving their promise program aid without renewing the FAFSA—and those state decisions would not be any different than the decisions facing all state grant programs that rely on the FAFSA. Similarly, these changes would not have a meaningful impact on federal program design, and most proposals would benefit from the simplified process.

Reducing the Number of Questions

A variety of reform proposals would drastically reduce the number of questions on the FAFSA. For example, the "FAFSA on a postcard" or other "two-factor" or "three-factor" approaches would ask for just a few of the following data points: parental income, parents' marital status, family size, and number of family members in college.[43]

In general, this information would have a limited impact on state promise programs' application processes. Combined with the applicant's resultant EFC, the information provided would be nearly sufficient to facilitate all the existing promise programs that utilize FAFSA data for their state award calculations.[44] However, to the

[40] Colleen Campbell, "One and Done: Modeling a One-Time FAFSA," (Washington, DC: The Center for American Progress, November 26, 2018), https://www.americanprogress.org/issues/education-postsecondary/reports/2018/11/26/460723/one-and-done/.

[41] Ibid.

[42] *College Affordability Act*, (HR 4674).

[43] Rueben, Gault, and Baum, *Simplifying Federal Student Aid: How Do the Plans Stack Up?*;
Criticism of the two-factor test focuses on the drawbacks of not asking for information on the number of students in college. See "Joint letter to Senator Lamar Alexander by the Center for Law and Social Policy, Higher Learning Advocates, and the Institute for College Access and Success," December 19, 2019, https://ticas.org/wp-content/uploads/2019/12/Joint-Letter-on-S.2667.pdf.

[44] States may run into some technical difficulties. For example, in Washington State the program relies on income rather than adjusted gross income and would likely need to change its methodology.

extent that changes increase the award levels or number of people qualifying for aid, this would have an impact on the budgets of states with last-dollar programs, requiring states to contribute more or less money to reach their promise. Unfortunately, if reducing questions is designed to increase dollars going to students, a last-dollar program may stymie that effort: Any increases up to the cost of tuition would merely lower the state dollars put in to meet the free tuition guarantee. The design challenge is one more reason why a first-dollar program is more student-friendly.

One critique of simplifying the application down to income and related questions, effectively ignoring assets, is that the change may favor wealthy families who have more limited income but significant assets.[45] Because most proposals incorporate a large increase in Pell dollars—and any large-scale federal free college program requires a significant overall federal investment anyway—the trade-off of simplicity for targeting becomes far less "zero-sum." It may be that the progressivity of the upfront financing mechanism, rather than an analysis of how precisely targeted the means-tested portion of the program is, becomes the more relevant question. In other words, to finance a free college program, determining how progressive the benefit is, and whether wealthy families are paying in or not, will require looking at how the program is financed—not just who gets the non-tuition benefit on the back end.

Eligibility Alignment with Public Benefits

Several FAFSA simplification proposals use existing determinations of eligibility for other federal benefits programs as a proxy for significant financial need, automatically qualifying those recipients for maximum financial aid. For example, NASFAA proposed a multi-tiered approach, where for one pathway, applicants and applicants' families who received a means-tested benefit in the two years prior to completing the FAFSA would not be asked additional financial questions and would automatically qualify for the maximum Pell Grant, while another cohort of filers with less complex tax returns would also have a simpler form.[46] The CAA incorporates this approach.[47] In 2015, the Urban Institute projected that these changes would cost about $750 million as more students qualify for larger awards[48]

These efforts would not have significant structural impact on state programs, although, if done well, removing those barriers would mean that statewide promise programs could see an increase in students who complete the FAFSA. And, because most federally funded public benefits programs are administered at the state level (think Medicaid, SNAP, and WIC), states could be an active partner in ensuring that public benefit recipients know they automatically qualify for full Pell Grants—and indeed the state higher education apparatus would have an incentive to build that partnership. Even first-dollar programs would benefit from such a change: ensuring that state scholarship recipients receive their non-tuition supports from Pell Grants will presumably increase retention and persistence.

Under a federal free college proposal, such a simplification would be a welcome change for students who still rely on the FAFSA for non-tuition aid or aid to attend private colleges.

[45] Rueben, Gault, and Baum, *Simplifying Federal Student Aid: How Do the Plans Stack Up?*

[46] NASFAA *FAFSA Working Group Report: FAFSA Simplification*, (Washington, DC: National Association of Student Financial Aid Administrators, July 2015), http://www.nasfaa.org/uploads/documents/fafsa_report_1.pdf.

[47] *College Affordability Act*, (HR 4674).

[48] Rueben, Gault, and Baum, *Simplifying Federal Student Aid: How Do the Plans Stack Up?*;
The Congressional Budget Office does not break out its estimate on the impact of the provision in the College Affordability Act from other changes.

Negative EFC

Some proposals suggest adjusting the formula to allow for a "negative EFC," which would distinguish amongst families who cannot afford to contribute to their education to identify who is the neediest, ideally sending more dollars to those families first as a part of a Pell Grant expansion.[49]

On the state level, this formula adjustment would provide targeted new dollars for those who need it most, giving students new non-tuition dollars when their Pell Grant exceeds the cost of tuition. However, there is a scenario where a free tuition last-dollar state program would effectively negate the benefits of a negative EFC calculation: In states where tuition and fees are more than the Pell Grant maximum, state dollars would simply go down if Pell dollars went up, while students would receive the same amount of aid. For future programs in states with high community college tuition (no states with free college programs have tuition that high), or in states with free college programs for four-year institutions, a higher maximum Pell Grant would simply lower the state investment needed to cover tuition while doing nothing new for the student (similar to the challenges with reducing the number of FAFSA questions), making yet another case for first-dollar programs.[50]

The need for a negative EFC in the context of federal proposals varies depending on how much supporters propose to spend on non-tuition costs. Debt-free guarantees effectively cover unmet financial need. If the aid formula is appropriately rendered so that financial need is accurately calculated, then the need for a "negative EFC" or additional Pell dollars at the lowest incomes becomes moot because the students are already receiving enough aid to cover financial need.

Recommendations: New Reforms in the Context of Free College

Making tuition free lessens the stakes for a successful administrative process for receiving means-tested financial aid in some, but not all cases. Missing the opportunity to overhaul the aid process in any free college plan would mean leaving a significant barrier for students who would still rely on means-testing: namely, students who have to complete a FAFSA for their state program, students who do not qualify for a state promise program, or students who still struggle to pay for non-tuition costs in any program or future proposal. Federal free college efforts should incorporate broad reforms, with a particular focus on low-income students and addressing non-tuition costs.

[49] Robert Kelchen, "The Importance of Negative Expected Family Contributions," *Robert Kelchen* (blog), April 3, 2017. https://robertkelchen.com/2017/04/03/the-importance-of-negative-expected-family-contributions/.

[50] "2019-20 Published In-district Tuition and Fees at Public Two-year Institutions by State." In Jennifer Ma, Sandy Baum, Matea Pender, and CJ Libassi, *Trends in College Pricing 2019,* New York: The College Board, November 2019, https://research.collegeboard.org/trends/college-pricing/figures-tables/published-district-tuition-and-fees-public-two-year-institutions-state. See also Lauren Walizer, "Indexing Pell to Inflation Benefits States," (Washington, DC: The Center for Law and Social Policy, January 2019), https://www.clasp.org/sites/default/files/publications/2018/01/1.17.2018%20Indexing%20Pell%20to%20Inflation%20Benefits%20States.pdf

Indeed, in a federal free college world, upper-middle-income students would be less reliant on the FAFSA. Currently, almost three-quarters of federal aid is less than or equal to the tuition a student is charged.[51] While students may be able to shift Pell dollars to cover other non-tuition costs under federal proposals, for many upper-middle-income students, a larger percentage of their financial need would be met by covering tuition. This means that a larger share of FAFSA completers will likely be low- and moderate-income students looking for help paying for non-tuition costs. At the same time, a large-scale free college effort is also likely to drive more low- and moderate-income students to attend college. Ensuring they can access the non-tuition supports to be successful is critical.

Thus far, FAFSA simplification efforts have been largely proposed within a generally budget-neutral framework. One of the benefits touted by those seeking to simplify the system is that doing so can be low-cost.[52] Changes are modeled to determine cost increases or decreases and weigh those reforms against the increased expense, or to determine, as close to a budget neutral window as possible, how changes affect award levels for families along the income spectrum. But a federal free college program can only be done when the political will exists to make serious federal financing changes to higher education. Doing so would require hundreds of billions of dollars in investment over a 10-year budget window and, potentially, significant new matching dollars from states.[53] Such an investment can and should increase awards and expand eligibility for Pell Grants to pay for non-tuition costs, which has been a part of several free college plans. Free college programs should use some of those new investments to, at the same time, loosen the reins on rigid means-testing in favor of pursuing serious simplification. It would be both inconsistent and inequitable to remove administrative burdens for tuition but leave them in place for students still relying on Pell for non-tuition costs. To do this, reform efforts could take the following steps:

Drastically reduce the number of questions and simplify the award level determination.

Instead of choosing just one approach to simplification, a federal free college program should use every tool in the toolbox to make the process as seamless and predictable as possible. Drastic simplification provisions could

- Remove most application questions to create a three-factor application form requesting only income, number of dependents, and number of dependents in college;
- Increase the cut-off for students who are automatically deemed to have a zero-EFC and thus qualify for the maximum Pell Grant; and
- Automatically qualify public benefit recipients for a maximum Pell Grant and require schools participating in the Title IV program to run a data match with state databases (with student permission) to automatically determine if students would qualify for maximum Pell, even if they do not complete the FAFSA.

[51] Authors' analysis based on NPSAS:16 data.

[52] Rueben, Gault, and Baum, *Simplifying Federal Student Aid: How Do the Plans Stack Up?*

[53] For example, Sen. Warren's plan would cost about $100 billion over a 10-year window (see Warren, "I'm Calling for Something Truly Transformational") and Sen. Sanders' plan would cost $48 billion per year (see Bernie Sanders, "College for All and Cancel All Student Debt").

Standardize the methodology schools use to calculate the cost of attendance.

In addition to actually funding expanded grants to cover non-tuition costs, addressing inconsistencies in cost of attendance budgets created by institutions is critical. This avoids a scenario where more students enroll in college based on the promise of free college but find out they cannot afford non-tuition costs because they are inaccurately accounted for by institutions.

The U.S. Department of Education sets out the components that make up non-tuition costs for purposes of receiving financial aid, but it is currently prohibited from requiring institutions to calculate cost of attendance in a particular manner.[54] This means that institutions have wide latitude in calculating how much they expect a student will spend on expenses such as rent, food, books, and transportation. Unfortunately, research shows that college estimates for living costs are often inaccurate[55] and that the child-care allowance is inconsistently applied.[56] The incentives created by various broader financial aid policies may be driving institutional choices[57] to set cost of attendance numbers too low, at times presumably so they can achieve their guarantees of meeting need. Those incentives may expand if states and schools attempt to meet free or debt-free affordability guarantees. Such guarantees would require more standardization in the methodology used to measure cost of attendance to avoid any institutional or state incentives to undercount those costs.[58]

Allow families to provide current income numbers via self-attestation, to be reconciled during tax time.

Low-income students and families rely heavily on processes that allow for simpler statements of income, when available. In California, 54% of participants in their free college program utilize that option over completing a FAFSA or other options.[59] Allowing for self-attestation would mirror the determination threshold and reconciliation process available for recipients of advanceable tax credits through the Affordable Care Act.[60] Doing so would also allow families experiencing more recent income dips to provide updated information, and the simplified questionnaire would allow for more seamless tax reconciliation. It would build on existing discretion held by aid administrators to take into account income changes, which, when used during The Great Recession and combined with additional outreach, increased the usage of Pell Grants by jobless workers.[61]

[54] Robert Kelchen, Sara Goldrick-Rab, and Braden Hosch, "The Costs of College Attendance: Examining Variation and Consistency in Institutional Living Cost Allowances," *The Journal of Higher Education,* 88, no. 6, (March 2017): 947-971, https://www.tandfonline.com/doi/abs/10.1080/00221546.2016.1272092.

[55] Ibid.

[56] "More Information Could Help Student Parents Access Additional Federal Student Aid," Washington, DC: United States Government Accountability Office, August 2019, https://www.gao.gov/assets/710/701002.pdf.

[57] Robert Kelchen, Sara Goldrick-Rab, and Braden Hosch, "The Costs of College Attendance."

[58] For a proposal at the state level to standardize cost of attendance measurements, see Robert Shireman, "Calculating Student Budgets," (New York: The Century Foundation, February 25, 2019), https://tcf.org/content/commentary/calculating-student-budgets-state-grant-aid-cost-attendance/.

[59] Statistics provided to the authors by California Community Colleges Chancellor's Office staff.

[60] "American Opportunity Tax Credit," Washington, DC: Internal Revenue Service, n.d., https://www.irs.gov/credits-deductions/individuals/aotc.

[61] Andres Barr and Sarah Turner, "A Letter and Encouragement: Does Information Increase Post-Secondary Enrollment of UI Recipients?" Working paper, EdPolicyWorkers, https://curry.virginia.edu/sites/default/files/files/EdPolicyWorks_files/40_Aid_and_Encouragement.pdf.

Reduce reliance on the FAFSA for non-tuition costs.

Federal proposals could include pilots for location-based, universal non-tuition benefits. For example, as part of federal matching funds, states could be required to provide free textbooks and transportation benefits at schools with a high percentage of low-income students, as measured by those who still complete the FAFSA under a free college plan.

Fix the American Opportunity Tax Credit to streamline with Pell Grant aid.

With tuition covered, federal proposals should also reconcile the new FAFSA process with the American Opportunity Tax Credit ("AOTC") by using those dollars to expand the Pell Grant. Short of making that change, proposals should reform the AOTC to cover non-tuition costs and include an optional checkbox for families earning incomes below the AOTC maximum to confirm their wish to receive their AOTC (currently only available at tax time) through an advanceable credit during the federal aid disbursement process.[62]

Leverage state support for simplification.

Assuming the trend of states pursuing last-dollar, free college programs continues, states will continue to rely heavily on federal grant aid to meet their promise—which means federal advocates for reform should have a short-term ally in the fight. State-level actors have a range of reasons to become leading advocates for simplification. A complicated application and verification process may result in fewer students enrolling, limiting the effectiveness of the state grant program.[63] In some states, students may be deemed ineligible ineligible for the state grant program if the student who was projected to qualify for federal aid but does not actually make it through the FAFSA process. But in other cases, states may be making up the difference that they projected federal dollars would cover. This is particularly true in a state like California, where the free tuition benefit at community colleges is not contingent on completing the FAFSA, but where its students could benefit from unclaimed Pell dollars.

Address verification barriers through state policy design.

State free college programs that require students to finalize the verification process before qualifying for a state promise grant are effectively creating additional barriers for their low-income students. In theory, students enrolling in a state with an uncapped free college program should qualify for their state grant regardless of their income. However, by requiring students to complete the verification process and submit new documents, like income tax returns, 1099s, and W-2s, these states are requiring applicants to prove their income.[64] Short of redesigning existing programs to provide first-dollar benefits—which would be, unquestionably, a positive shift for low-income students—states should create an off-ramp from having to complete the FAFSA process for students who run into barriers to verifying their income to ensure they can still receive the full state grant.

[62] Steve Holt, "Help When It's Needed: Advancing The AOTC," Center for Postsecondary and Economic Success, (Washington, DC: The Center for Law and Social Policy, June 2014), https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Help-When-Its-Needed-Advancing-the-AOTC.pdf.

[63] Bettinger, Long, Oreopoulos, and Sanbonmatsu, "The Role of Application Assistance and Information in College Decisions: Results from the H&R Block Fafsa Experiment."

[64] The FUTURE Act, enacted in 2019, will upon implementation allow for documents directly imported from the IRS to satisfy verification. It is expected that this will reduce the number of students who must upload documents such as 1099s and W-2s. However, students from families that did not file taxes will not benefit from these changes. See Michele Streeter, Rachel Gentry, and Raymond AlQaisi, "How the FUTURE Act Improves the Federal Financial Aid System," (blog post), The Institute for College Access and Success, December 2019, https://ticas.org/affordability-2/how-the-future-act-improves-the-federal-financial-aid-system/.

Conclusion

Moving to a free college system may mitigate the need for means-testing eligibility in some cases, but many existing programs still rely on such an assessment, and all forward-looking proposals still require low- and moderate- income students to fill out an aid application for non-tuition costs. If all goes well under a free college system, more low-income students will enroll in schools that may have otherwise been financially out of reach, making the reliance on the FAFSA critically important. This means significant measures to fix the process are necessary.

Appendix A

Table 1A. State Promise Programs' Reliance on the FAFSA

State(s)	Use of FAFSA data[a]
Hawaii, Louisiana	Programs require the FAFSA and use EFC (via the FAFSA) to determine eligibility.
Washington (College Grant)	Program requires the FAFSA and uses income and family size (via the FAFSA) to determine eligibility.
Maryland, Mississippi	Programs require the FAFSA and use adjusted gross income and number of parents (via the FAFSA) to determine eligibility.
New Jersey, New York	Programs require the FAFSA and use adjusted gross income (via the FAFSA) alone.
Oklahoma, Indiana (21st Century Scholars), Washington (College Bound)	First-time applicants apply using tax returns; once in college, renewal requires the FAFSA.
Arkansas, Delaware, Nevada, Rhode Island, Tennessee (Promise and Reconnect), West Virginia, Kentucky, Indiana (Workforce Ready Grant), Missouri[b]	FAFSA completion is required for participation, but FAFSA data does not affect the student's eligibility or award size.
California	Participants are not required by the state to complete the FAFSA (their institution may require it).

[a] Some states allow exceptions to FAFSA requirements or provide alternative forms for students who are ineligible for Title IV aid.

[b] It is worth noting that Missouri's program requests that all participants complete the FAFSA, but it also allows students to attend schools that are ineligible to receive Title IV aid and does not mandate FAFSA completion among those students.

Table 1B. State Promise Programs' Use of Pell Dollars

State(s)	Use of Pell Grant dollars
Tennessee (Promise and Reconnect), Rhode Island, New York, Nevada, Kentucky, Indiana (Workforce Ready Grant), Hawaii, Arkansas, New Jersey, Maryland, West Virginia	Last dollar (these programs are financed, in part, by Pell dollars received through the FAFSA).
Oregon	Middle dollar (after Pell is applied, some portion of the promise aid will cover remaining tuition balance, and some will be available for non-tuition costs).
Washington (College Grant), Indiana (21st Century Scholars), Louisiana, Mississippi, Oklahoma	First dollar (no reliance on Pell to finance the program).
Washington (College Bound)	Program is last dollar in relation to other state aid to cover tuition, but then the Pell is applied for non-tuition costs.
California	Institutions decide.

Table 1C. State Promise Programs' Requirements for Annual FAFSA Completion

State(s)	Annual FAFSA completion requirements
Delaware, Hawaii, Indiana (21st Century Scholars and Workforce Ready Grant), Louisiana, Kentucky, Maryland, Mississippi, New Jersey, New York, Oklahoma, Rhode Island, Tennessee (Promise and Reconnect), West Virginia	Participating students must complete the FAFSA annually to maintain eligibility.
Arkansas, Nevada, Washington (College Bound and College Grant)	It is unclear from statues whether participating students must complete the FAFSA annually to maintain eligibility.
California	Institutions decide.
Missouri	Participating students must complete the FAFSA annually to maintain eligibility, except those who attend institutions that do not participate in Title IV programs.

Appendix B

Recent Federal Free or Debt-free College Legislative Proposals

College Affordability Act of 2019 (H.R. 4673): Funds free community college tuition through mandatory funds for a 75% federal match, and allows for matching of unmet financial need and four-year tuition if funding is available. College Affordability Act of 2019, (H.R. 4673), 116th Congress, 1st sess., introduced in House of Representatives October 15, 2019, https://www.congress.gov/bill/116th-congress/house-bill/4674.

College for All Act of 2019 (S.1947/H.R. 3472): Provides free tuition at public two- and four-year institutions, requires increased grants for non-tuition costs, and provides debt relief. College for All Act of 2019, (S.1947), 116th Congress, 1st sess., introduced in Senate June 24, 2019, https://www.congress.gov/bill/116th-congress/senate-bill/1947.

Debt-Free College Act of 2019 (S.672/H.R. 1571): Establishes a federal-state funding partnership to provide students the opportunity to enroll in in-state public institutions of higher education without debt. Debt-Free College Act of 2019, (S.672), 116th Congress, 1st sess., introduced in Senate March 6, 2019, https://www.congress.gov/bill/116th-congress/senate-bill/672.

America's College Promise Act of 2019 (S. 2250/H.R.4212): Provides federal match for states that provide 25% of the funding to make tuition and fees free at community colleges. America's College Promise Act of 2019, (S.2250), 116th Congress, 1st sess., introduced in Senate July 24, 2019, https://www.congress.gov/bill/116th-congress/senate-bill/2250.

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