

THE BURDEN OF PROOF: Impact of and Solutions for FAFSA Verification



**NATIONAL
COLLEGE
ATTAINMENT
NETWORK**



NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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This research is the result of a collaboration between NASFAA and NCAN. The findings and conclusions contained within are those of NASFAA and NCAN, or only NCAN where noted, and do not necessarily reflect positions or policies of the Joyce Foundation.

About NCAN

NCAN, a nonprofit located in Washington, D.C., has more than 500 organizational members across the country working toward its mission to build, strengthen, and empower communities and stakeholders to close equity gaps in postsecondary attainment for all students. NCAN, its members, and their students advocate for policy changes to create more equitable access to postsecondary education and increase college affordability. For more information, visit <https://www.ncan.org>.

About NASFAA

NASFAA is a nonprofit membership organization representing more than 20,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. For more information, visit <https://www.nasfaa.org>.

About Joyce Foundation

The Joyce Foundation is a private, nonpartisan philanthropy that invests in public policies and strategies to advance racial equity and economic mobility for the next generation in the Great Lakes region.

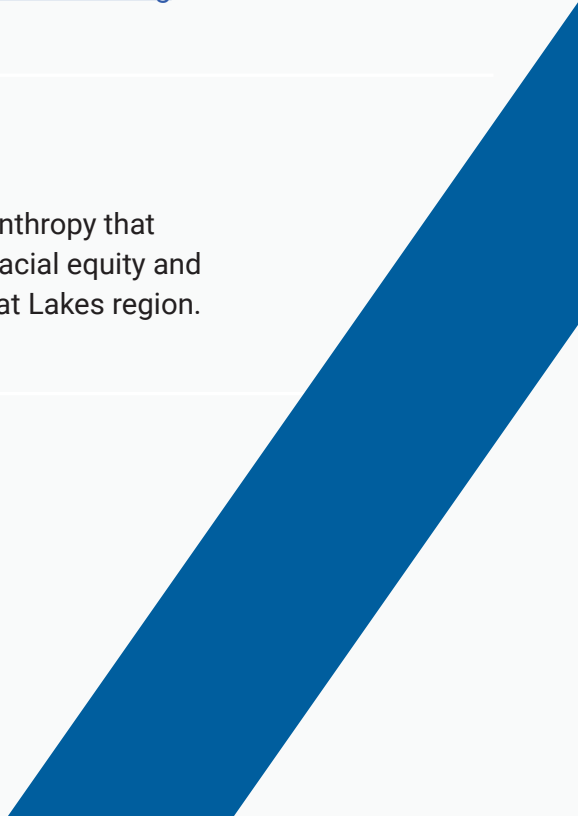


TABLE OF CONTENTS

| | |
|--|----|
| EXECUTIVE SUMMARY..... | 2 |
| INTRODUCTION..... | 4 |
| HISTORICAL REVIEW..... | 6 |
| EVALUATING PROPOSED VERIFICATION SOLUTIONS..... | 9 |
| RECOMMENDATIONS..... | 19 |
| CONCLUSION..... | 21 |
| APPENDIX A: METHODOLOGY..... | 22 |
| APPENDIX B: FINDINGS FROM AN ONLINE MEMBERSHIP POLL..... | 24 |
| APPENDIX C: FINDINGS FROM FINANCIAL AID ADMINISTRATOR LISTENING SESSIONS..... | 36 |
| APPENDIX D: FINDINGS FROM COLLEGE ACCESS PRACTITIONER LISTENING SESSIONS..... | 40 |
| WORKS CITED..... | 42 |

EXECUTIVE SUMMARY

The Free Application for Federal Student Aid (FAFSA) unlocks access to federal financial aid programs, including the cornerstone of need-based aid: the Pell Grant. Anywhere from 17 million to 21 million postsecondary students complete the FAFSA annually. A significant portion of these students cannot receive their aid without completing an additional, lengthy process called verification to confirm that their FAFSA is accurate.

Without completion of this audit-like process, students are unable to access federal financial aid, and in many cases state or institutional financial aid. Students must complete complicated forms and provide multiple types of supporting documents. Financial aid administrators must then review these forms for discrepancies, recalculate Expected Family Contributions (EFCs), and report changes to the Department of Education. The cumulative effect is a greater burden placed on both students and institutions during the financial aid application process.

Verification has recently come under scrutiny for its questionable value to the taxpayer and the burden it places on students and institutions. Concerns include:

- Why, proportionally, does FSA verify more FAFSAs than the IRS audits tax returns (Warick and Lowry)?
- Is the burden of broader verification necessary when well-targeted verification can achieve better results (AlQaisi et al.)?
- Why are students of color disproportionately selected for verification (Douglas-Gabriel)?
- Is the burden worth the impact on financial aid offices when 1 in 5 financial aid administrators spend at least half their time on the verification process (“Issue Brief: Verification”)?

In recent years, the U.S. Department of Education (ED) has set goals to decrease overall verification rates. ED verified as much as 38% of FAFSA filers during certain cycles over the past decade. This was down to a low of 17.11% for the first three quarters of the 2021-22 cycle. Additionally, ED has suspended some types of verification for the remainder of the 2021-22 award year as a way to provide students some relief during the COVID-19 pandemic. But the department has not extended such relief to the 2022-23 FAFSA filing cycle, which began on Oct. 1, 2021. The offering of this relief is an admission of the burden caused by verification, but the lack of extension is confusing at best for students.

NCAN and NASFAA joined together to survey both financial aid administrators as well as college access and success advisers on the impact of verification on their students and their work within this landscape of verification relief and scrutiny. This paper explores those experiences and offers recommendations to decrease the burden verification places on students and financial aid administrators alike.

To aid this work, NCAN and NASFAA conducted several pieces of original research. A full methodology section is found in Appendix A of this report. Detailed findings for our online poll and practitioner listening sessions are also found in this report (Appendices B-D).

Overall the majority of poll respondents believed all 12 solutions proposed by NCAN and NASFAA would be “very helpful” or “somewhat helpful” to undergraduate students, with even the least helpful solution still being supported by nearly 50% of NCAN and NASFAA respondents. Ultimately, NCAN and NASFAA propose the following:

RECOMMENDATION NO. 1

The Department of Education should better leverage existing federal data. This can be achieved through the implementation of the FUTURE Act and FAFSA Simplification Act, which allow direct IRS-to-ED sharing of data for all FAFSA filers, including using the transfer to confirm non-filer status in lieu of requiring a non-filing statement.

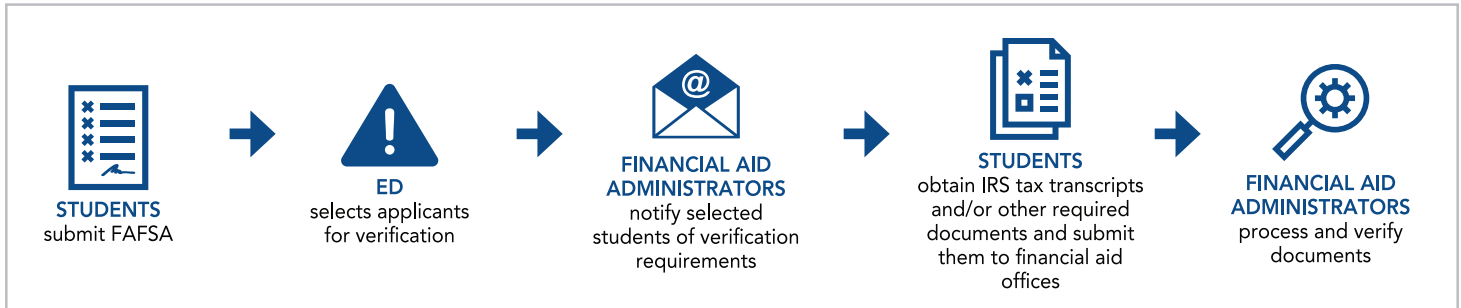
- The department should also adjust the IRS Data Retrieval Tool to verify non-tax-filing status for the 2023-24 award year, given the lengthy implementation timeline for the new laws.

RECOMMENDATION NO. 2

The Department of Education should modify the verification selection algorithms to target FAFSA filers with likely expected family contribution (EFC) changes and exclude filers who:

- Transferred information directly from the IRS, or
- Successfully completed the verification process in the previous year with no significant change to their EFC, remain continuously enrolled, and their EFC in the subsequent year does not change significantly.

INTRODUCTION



Each year, millions of students apply for financial aid using the Free Application for Federal Student Aid (FAFSA). The FAFSA form unlocks access to the federal student aid programs, including the cornerstone of need-based financial aid: the Pell Grant. However, for a large subset of FAFSA filers, completing this application is not the end of their process to receive federal aid. Many filers are selected for an additional review process called verification.

This audit-like process requires institutions to confirm that the information students input on their FAFSAs is accurate. The primary reason for verification from the federal government’s point of view is to prevent improper payments in the federal financial aid programs. From the institutions’ point of view, it is to fulfill their fiduciary responsibility to federal and state programs as well as for the distribution of their own aid dollars.

Without completion of financial aid verification, students cannot access federal financial aid, and in many cases state or institutional aid. Approximately 7.2% of students selected for verification will not receive federal aid because they are unable to complete the process (DeBaun). Selected students are asked to fill out a multipage form for their institution; provide documentation, such as tax transcripts or identification; and can be asked for additional signed statements, such as their educational intent or verification of non-tax-filing status. The forms, where to access them, and how to return them all vary by institution. The cumulative effect is a greater burden placed on students and institutions during the financial aid application process.

This process has recently come under scrutiny for its value to the taxpayer and the burden it places on students and institutions. One question about the process is why a much larger proportion of students are required to complete verification than tax filers are required to complete IRS audits (Warick and Lowry). And related, whether the burden on such a large portion of FAFSA filers is necessary when past examination of the change in Pell Grant awards following verification demonstrates that the federal government can achieve better results for taxpayers when verifying a lower percentage of students (AlQaisi et al.). Another area of concern is why students of color are disproportionately selected to confirm their information (Douglas-Gabriel). On the institution side, a 2016 NASFAA survey found that 1 in 5 financial aid administrators spend at least half their time on the verification process (“Issue Brief: Verification”).

Evidence of the burden of this process has been building over the last several years. While the federal government has a responsibility to the taxpayer, and institutions have a fiduciary responsibility as recipients of federal funds, both also share the goal of serving students so they can access and succeed in college. Past work has focused on how to limit the number of FAFSA filers who must be selected for verification, and that topic is touched upon again here. However, the broader higher education and research community has spent less time exploring the user experience of the process itself.

Students experience two pain points in the timeline of the verification process (pictured on page 4). First, students applying to multiple institutions receive notifications from institutions in various ways: text, email, notification in a student portal, notification in a financial aid portal, or a paper letter in the mail. Figuring out the process of each individual institution is a challenge. Second, but equally if not more challenging, is the gathering of the documents needed to prove the information on the FAFSA is accurate. Students must frequently obtain documents from parents with whom they may not be in contact, government agencies, or old employers. Institutions also want to serve their students and balance the work of their staff with other priorities. Institutions spend significant staff time and resources processing verification requests, time that could be spent on other types of financial literacy and student support.

The Office of Federal Student Aid (FSA), a branch of the U.S. Department of Education charged with overseeing all federal student financial aid, set a goal to improve the verification process and to decrease the percentage of students selected over the last several FAFSA filing cycles (each of which runs for 21 months, or seven quarters, from Oct. 1 through June 20). Additionally, FSA acknowledged the general burden of verification by suspending a portion of the process in July 2021 for the remainder of the 2021-22 cycle to remove an obstacle to postsecondary education for students during the pandemic (“Changes to 2021-2022 Verification Requirements”). Finally, FSA has the opportunity to change the approach to verification as it implements new laws: the FUTURE Act of 2019 and the FAFSA Simplification Act of 2020.

It is within this landscape that NCAN and NASFAA sought to gather feedback from the field, by asking both financial aid administrators and college access and success advisers for their perspectives of how the verification process affects students as well as their institutions and organizations. This paper offers insights into the experiences of those on the user side of the process and offers solutions on ways to change the process to better serve students and institutions.

HISTORICAL REVIEW

A key aspect to understanding the impact of the verification process on the postsecondary field is to grasp the sheer number of students who must participate in it each year. For the seven FAFSA filing cycles beginning in 2011 and concluding in 2018, the percentages of students selected for verification ranged from 30% to 38% (“Federal Pell Grant Program 2017-2018 End of Year Report, Table 001”). In October 2018, FSA set a goal to decrease verification rates to 22% (Munier et al.). This time frame also marked the switch to a machine learning model to better target the FAFSA applications most likely to result in a change in award status if verified (Munier et al.).

FSA has continued to adjust its review of verification, announcing in December 2020 that the new goal would be 18% (Moseley-Hobbs et al.). To assist in examining the overall impact of verification rates, FSA released the following data to NCAN for this publication. The review includes verification selection rates for the first three quarters of the past four filing cycles. While this window only gives insight into a portion of the FAFSA filing cycle, it includes the most current FAFSA filing cycle, which is the first with the new 18% goal. Additionally, for the 2018-19 and the 2019-20 filing cycles, the first three quarters represent 75% and 73%, respectively, of all FAFSAs filed, as calculated using the totals listed in the FAFSA Data by Demographic Characteristics reports. (Data collection timing prevents inclusion of later quarters for the most recent year.)



The table below demonstrates that the percentage of all FAFSA filers selected for verification during the first three quarters of the cycle has fallen steadily over the past four years. These three quarters historically have the highest levels of FAFSA filing and include the majority of high school seniors applying to college for the first time as well as students who are re-enrolling in their current institution. From 2018-19 to 2021-22, FSA has decreased its overall selection rate by 10 percentage points. However, the percentage of students selected for verification who are also Pell Grant eligible at first filing remains high. While preventing improper payments within the Pell Grant program is a key goal of verification, this does place the burden almost entirely on students from low-income backgrounds.

| All FAFSAs Filed | | | | | |
|------------------|--------------------|---|---------------------------------|-----------------------------|--|
| Cycle (Q1-Q3) | Total FAFSAs Filed | % Pell Eligible at First Filing out of Total FAFSAs Filed | Total Selected for Verification | % Selected for Verification | % Pell Eligible at First Filing out of Total Selected for Verification |
| 2018-19 | 13,814,465 | 47.87% | 3,793,398 | 27.46% | 83.85% |
| 2019-20 | 13,214,867 | 49.41% | 2,784,066 | 21.07% | 90.70% |
| 2020-21 | 12,995,346 | 48.00% | 2,749,404 | 21.16% | 90.50% |
| 2021-22 | 12,756,748 | 46.46% | 2,182,610 | 17.11% | 88.69% |



Looking specifically at high school seniors, it is evident that their selection rate for verification is higher than that of the overall FAFSA filing pool, though the percentage of students who are Pell eligible upon first FAFSA filing is similar. In the most recent year, the rate of verification for high school seniors is 23%, 6 percentage points higher than the overall population at 17%. However, the decline in percentage selected for high school seniors is 16 percentage points, which is greater than the decline for the overall filing group.

| FAFSAs Filed by High School Seniors | | | | | |
|-------------------------------------|-----------------------|--|------------------------------------|-----------------------------|---|
| Cycle (Q1-Q3) | Total HS FAFSAs Filed | % Pell Eligible at First Filing out of Total HS FAFSAs Filed | Total HS Selected for Verification | % Selected for Verification | % Pell Eligible at First Filing out of Total HS Selected for Verification |
| 2018-19 | 2,411,977 | 48.57% | 949,690 | 39.37% | 89.74% |
| 2019-20 | 2,333,899 | 48.93% | 597,479 | 25.60% | 89.43% |
| 2020-21 | 2,264,437 | 46.86% | 584,593 | 25.82% | 88.95% |
| 2021-22 | 2,158,500 | 44.45% | 499,555 | 23.14% | 87.49% |

The snapshot created by this data demonstrates that Federal Student Aid decreased the overall percentage of students selected for verification during the first three quarters of recent cycles. However, the burden is still largely placed on students from low-income backgrounds by nature of the goal to prevent improper payments in the Pell Grant program. For this reason, continuing to reduce the burden of verification remains a priority.

EVALUATING PROPOSED VERIFICATION SOLUTIONS

It is within this landscape of nearly 1 in 5 students being selected for verification that NCAN and NASFAA decided to evaluate proposed solutions to improve the FAFSA verification experience for both students and financial aid administrators. During August and September 2021, the two organizations engaged in an anonymous survey of their memberships with follow-up listening session discussions. More information on the methodology as well as the detailed findings of surveys and listening sessions can be found in the appendices.

Overall, the majority of online poll respondents believed all 12 solutions proposed by NCAN and NASFAA would be “very helpful” or “somewhat helpful” to undergraduate students, with even the least helpful solution (“Legislation or regulation requiring institutions to accept verification results from other institutions”) still being selected by 52% of respondents. The 12 proposed solutions, listed in descending order of popularity, included:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statements.
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- Requiring all schools to use a standard verification form template developed by ED.
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.

- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school.
- ED creating a central portal that all schools can access, where students can upload verification documents
- Students with Zero EFC should not be selected for financial verification. (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification.
- Legislation or regulation requiring institutions to accept verification results from other institutions.

Examining the survey results and listening session feedback demonstrates which of the proposed solutions financial aid administrators and college access advisers find more useful. If implemented, these changes would have varying impacts on students and organizations or institutions. The 12 proposed solutions can be grouped into four main areas of focus:

- 1. Leverage existing federal data.**
- 2. Modify ED's verification selection algorithm.**
- 3. Standardize the verification process across institutions.**
- 4. Lift institutional verification burden to ease student burden.**

LEVERAGE EXISTING FEDERAL DATA

Making better use of existing federal data during the aid application process, including data from agencies other than ED, was an overwhelmingly popular verification solution among survey participants. The advantage of using data held in federal databases for FAFSA completion is twofold: it transfers burden off both students and institutions/organizations by requiring less information from students and, therefore, less information for institutions to verify; and it improves data accuracy.

Two proposed solutions that fall under this category were viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations.

- 1. Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.** This solution achieves something few policy initiatives can. It requires less data from applicants while providing greater data integrity—easing the burden of applying for federal student aid while ensuring that taxpayer dollars go to those who need them most. While no doubt a promising solution to verification woes, the Department of Education has indicated that it will not be able to fully implement the provisions of these two laws until the 2024-25 FAFSA application cycle, leaving a pressing need for other solutions, at least for the short term.
- 2. IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.** The popularity of this verification solution among survey respondents was no doubt a reflection of the difficulties students experience in obtaining IRS Verification of Non-filing Status identified by listening session participants. The IRS knows who does not file a tax return, and the DRT infrastructure already exists. Adding non-filer status to the list of data applicants can import from the IRS to their FAFSA would greatly simplify the verification process for students. Fortunately, ED has indicated that students will be able to confirm non-filer status via the direct data-sharing authorized in the FUTURE Act. However, because implementation is delayed until 2024-25, adopting this interim solution until then would greatly benefit financial aid applicants.

MODIFY ED'S VERIFICATION SELECTION ALGORITHM

Improvements to ED's verification selection algorithm were also popular among survey respondents. Although ED has been decreasing the percentage of applications it selects for verification over the past several years—with a verification selection goal of 18% for the 2021-22 application cycle—survey and listening session participants still saw a need for better targeting of applicants. The four following proposed verification solutions relate to ED's verification algorithm and selection process.

- 1. ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification.** This solution was viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations. While ED should be commended for its efforts to lower verification selection rates, it is unknown whether and how the department has altered the selection algorithm itself, since ED does not make the algorithm public.

The 2019-20 application cycle data show that over 40% of applicants with EFCs that fall into the Pell-eligible range were selected for verification (DeBaun), meaning that Pell-eligible students are more than twice as likely to be selected as non-Pell-eligible students. Pell-eligible students are generally low-income; roughly 80% of Pell recipients had incomes of less than \$40,000 in 2017-18 ("National Student Aid Profile: Overview of 2020 Federal Programs"). Data also show that verification disproportionately targets Black and Hispanic students, with students from Black-majority communities being 1.8 times more likely to be selected, and students from Latino-majority communities being 1.4 times more likely to be selected than their peers from white-majority communities (Douglas-Gabriel).

Previous research by both NASFAA and NCAN has shown that verification typically does not result in significant changes to a student's EFC or Pell Grant eligibility. In 2018, NASFAA found that 84% of verified applications resulted in either no EFC change or a change so small that it did not result in an adjustment to the student's Pell Grant award ("NASFAA Data Show Verification Does Not Impact Most Financial Aid Awards"). In 2020, NCAN conducted research showing that 93% of applicants with an automatic Zero EFC, and more than 70% of all students selected for verification saw no change to their Pell Grant amount after verification (AlQaisi et al.).

Black and Hispanic students and students from low-income backgrounds (and, consequently, institutions that serve large proportions of such students) bear a larger share of the verification burden. And verification frequently does not change a student's eligibility for federal student aid. For these reasons, it is essential that ED not only reduce the number of selected applicants but also amend its algorithm to better target applications that are most likely to contain errors in order to ensure equitable access to postsecondary education for all students.

- 2. Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification.** This solution was viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations.

While unmodified data elements transferred via the DRT are not subject to verification, other, non-DRT items are still subject to verification. Survey participants believed that applicants using the DRT should be exempt from financial verification. These students could, however, still be subject to the identity and statement of educational purpose verification (currently verification selection group V4).

- 3. Continuously enrolled students who have successfully completed verification in the previous year should not be selected again in subsequent years.** This solution was viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations.

A common sentiment among listening session participants was that the same students get selected for verification each year. Their views on whether this repeat selection was merited, though, were mixed. While many participants indicated that they did not understand why certain students were selected every year, many also expressed that students who were selected each year also had changes to their eligibility each year, meaning that ED was correct in selecting those students.

Listening sessions provided more nuance to the question than was garnered via the survey. Several participants in the listening sessions clarified that the exemption to being selected for verification in a subsequent year should be based on ED data, such as those applicants whose EFC did not change or saw only a minimal change upon verification.

NCAN members generally viewed this solution more favorably than NASFAA members. This is likely because NCAN members work more with first-time students than continuing students, and do not see the results of as many verifications as financial aid administrators (FAAs). For those reasons, FAAs may be more hesitant to advocate for exempting continuing students from verification because of experience with EFCs changing for these students upon verification.

- 4. Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).** This solution was the least popular among the four proposed solutions in this category overall and was viewed as somewhat-to-very helpful by a minority of survey respondents. It was viewed more favorably among NCAN members than NASFAA members.

This solution is appealing in that it protects students with the greatest financial need—those with a Zero EFC and, presumably, the lowest incomes. As noted previously, a subset of this group has had the least percentage change to EFC. More than 9 times out of 10, automatic Zero EFC students selected for verification retained their maximum Pell Grant award (AlQaisi et al.) However, the stakes to taxpayers are also the highest for this population of students, since these students stand to receive the maximum Pell Grant.

Other improvements to ED's algorithm targeting those students most likely to have made application errors would likely benefit all students, including those with a Zero EFC. This is likely a better solution than eliminating verification for all applicants with a Zero EFC.

STANDARDIZE THE VERIFICATION PROCESS

Three of the proposed verification solutions centered on the concept of making the verification process more uniform across institutions in order to save applicants time and effort gathering data and completing forms.

- 1. Require all schools to use a standard verification form template developed by ED.**

- 2. Universal statement/form for non-tax-filers selected for verification (parents or independent students).** These two solutions were viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations.

Currently, institutions may collect required verification data, including data for non-tax-filers, using the Department of Education’s annually published Suggested Verification Text, or create their own form(s). Students applying to multiple institutions may have to complete many different versions of the verification form, a tedious and time-consuming process. If a single form template developed by ED were required for use by all institutions, students could complete the form once and send copies to every institution, reducing the time and effort required to complete verification.

However, federal student aid is only one source of financial aid students receive for college. Institutional aid comprises the highest share of undergraduate grant aid—44% of total postsecondary student grant aid (“Understanding College Affordability”), and institutions may follow stricter verification requirements for awarding their own grant dollars than the federal government requires for the Title IV student aid programs. States may also have their own, separate verification requirements. Because of that, simplifying the federal aid application process by requiring a standardized federal verification form template may not simplify the overall financial aid application process if institutions and/or states require a separate form.

3. **ED creates a central portal that all schools can access, where students can upload verification documents.** Survey responses for this solution were split, with NCAN members generally finding this solution more helpful for undergraduate students, graduate/professional students, and institutions/organizations than did NASFAA members.

Similar to the proposed solution to require institutions to use ED-developed templates for verification forms, the portal solution—while likely helpful to both students and institutions for applying for and awarding federal aid—does not address institutional and state verification, so does not likely address the financial aid application process as a whole.



Photo by Allison Shelley/The Verbatim Agency for EDUimages

LIFT INSTITUTIONAL BURDEN TO EASE STUDENT BURDEN

Three of the proposed verification solutions relieve institutions of some burden, but in turn, could pass the relief on to students by reducing the amount of paperwork they need to submit to multiple institutions.

- 1. Legislation or regulation requiring institutions to accept verification results from other institutions.** This solution was not among the solutions preferred by the majority of survey respondents and, in fact, was the least popular among NASFAA members and the second least popular among NCAN members.

While potentially reducing the number of schools students need to send verification documents to, the timing of the application cycle likely results in students sending their verification documents to all of the institutions to which they are applying at the same time, making a standard verification form that students can send multiple copies of a better solution.

Accepting verification results from another institution is also burdensome and fraught with other issues for financial aid administrators. First, financial aid administrators must confirm and document the verified ISIR transaction with the school that performed verification—so this solution does not relieve the financial aid office of collecting paperwork. Second, as stressed by listening session participants, the institution that awards the financial aid is liable for verification errors and is also responsible for resolving conflicting data. Verification errors consistently rank in the top 10 audit and program review findings (*Annual Top Ten School Findings and School Fine Reports*), so it is understandable that financial aid administrators are hesitant to accept another school's verification results.

NASFAA members noted in listening sessions as well that, in many cases, they are conducting their own verification for institutional aid awarding purposes already, so they would be collecting verification documents from students even if they were to accept the other schools' verification results for federal aid. And, because institutions are required to resolve conflicting data, having those institutional verification documents on hand would in many cases force the institution to perform its own federal verification to resolve conflicts. This would be the case even if the other school's verification was technically correct, but based on the minimum required documentation for federal aid versus the more robust data collection schools use for institutional verification.

- 2. Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school.** This solution was viewed as somewhat-to-very helpful by the majority of survey respondents to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations.

Listening session participants viewed this solution as potentially resolving some, but not all, issues with accepting another school's verification results. While it would provide some peace of mind that their school would not have audit or program review findings for another school's errors, the issues of institutional verification and the conflicting information resolution requirement would likely water down the effectiveness of this solution.

- 3. Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification.** This solution was not one of the eight proposed that the majority of respondents viewed as somewhat-to-very helpful to reduce verification burden for both undergraduate and graduate/professional students, as well as for institutions and organizations, although slightly more than half of the respondents saw the value of this solution for institutions and organizations.

While this solution would remove some of the verification burden from students and institutions by not requiring the student to submit verification documents to another institution and simplifying the way institutions could confirm another school's verification results, this solution poses the same issues as previous solutions with respect to institutional verification and conflicting information requirements and, as such, would not be likely to reduce the overall burden of applying for financial aid.

RECOMMENDATIONS

The survey and related listening sessions of college access practitioners and financial aid administrators revealed consensus on several solutions to improve the verification user experience for students, institutions, and organizations. It is important to note that none of the solutions presented received a top score of “not very helpful” or “not at all helpful.” However, some solutions had a greater deal of consensus across perspectives.

NCAN and NASFAA, therefore, recommend the implementation of the following proposed solutions:

RECOMMENDATION NO. 1

The Department of Education should better leverage existing federal data. This can be achieved through the implementation of the FUTURE Act and FAFSA Simplification Act, which allow direct IRS-to-ED sharing of data for all FAFSA filers, including using the transfer to confirm non-filer status in lieu of requiring a non-filing statement.

- The department should also adjust the IRS Data Retrieval Tool to verify non-tax-filing status for the 2023-24 award year, given the lengthy implementation timeline for the new laws.

RECOMMENDATION NO. 2

The Department of Education should modify the verification selection algorithms to target FAFSA filers with likely expected family contribution (EFC) changes and exclude filers who:

- Transferred information directly from the IRS, or
- Successfully completed the verification process in the previous year with no significant change to their EFC, remain continuously enrolled, and their EFC in the subsequent year does not change significantly.

NCAN and NASFAA also offer the following commentary on two additional solutions:

Standardize the verification process across institutions by requiring all schools to use universal forms developed by ED for verification and non-tax-filing statements.

This recommendation received high marks across both membership groups. NCAN members in particular are supportive of this proposed solution because of their work with high school seniors who must complete highly variant verification processes for multiple institutions. A majority of NASFAA members also support this solution; however, the minority of NASFAA members who are opposed feel strongly about their opposition. This group of members, mostly with institutional aid budgets greater than the federal dollars coming into their schools, would likely still require completion of verification beyond the minimum set for federal student aid. If institutions layer on additional requirements beyond the standardized version from the federal government, this greatly reduces the benefit of a standardized process to the students.

Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose)

This solution fared better with NCAN survey respondents than NASFAA survey respondents. Past research demonstrates the impact of verification on *automatic* Zero EFC applicants is minimal, with more than 9 out of 10 FAFSA filers retaining their maximum award. However, there is a distinction to expand this recommendation to all FAFSA filers receiving a Zero EFC. The percentage of Pell Grant award change for students with a *calculated* Zero EFC is not currently known, and without confirmation that it is similarly unchanging, the recommendation cannot be expanded to all Zero EFC filers. However, NCAN will continue to support the recommendation from previous work that students who qualify for an automatic Zero EFC should no longer be selected for verification (AlQaisi et al.)

The combination of the above proposals should result in a verification process that allows for a continued decrease in the percentage of FAFSA filers selected for verification. It should reduce the burden on students and their advisers as well as financial aid administrators while also protecting the integrity of the process.

CONCLUSION

The current landscape is ripe for FAFSA verification reform. FSA has continually decreased its goal selection percentage over the past two years, followed by providing pandemic-related verification relief, which reduced the percentage of applicants selected for verification even more. In a few years, the implementation of the FUTURE and FAFSA Simplification Acts will further decrease the need for financial verification.

However, it is likely that some level of verification will remain. Now is the time for FSA to consider what changes can be made to verification during a turbulent time when there is mixed verification relief on top of a pandemic, trends toward lower verification rates, and legislation that will drastically change the way the FAFSA operates. The recommendations put forth here should be considered as part of that process.



APPENDIX A: METHODOLOGY

Direct E-mail Online Practitioner Survey: In July 2021, NASFAA and NCAN distributed to their memberships a survey focused on data related to verification and the helpfulness of various solutions for students and institutions/organizations. In total, 2,919 contacts at NASFAA and NCAN membership institutions/organizations received the survey email. Ninety-two individuals answered at least one question, resulting in a 3% response rate. While the results from this survey could help aid the conversation on verification, given the low response rate NASFAA and NCAN decided not to publish the results or incorporate them into the recommendations of this work.

Anonymous Online Practitioner Poll: From August through September 2021, NASFAA and NCAN distributed an anonymous online poll to their memberships through electronic newsletters. This poll focused on rating the helpfulness of proposed verification solutions for undergraduate students, graduate and professional students, and an institution or organization. Approximately 400 individuals answered at least one survey question. The survey respondents were 73% NASFAA members, 21% NCAN members, and 6% indicated they held membership to both. The groups represented were 74% college/university, 18% nonprofit organization, 4% school district, and 2% state agency. Findings from this poll are presented in the feedback from the field section titled “Findings from an online membership poll.” Detailed findings from this work are found in Appendix B.

NASFAA Membership Listening Sessions: In August 2021, NASFAA issued a call via *Today’s News*, its daily email newsletter, for volunteers to participate in one of three virtual feedback sessions to further discuss solutions that would streamline and improve the verification process to reduce verification burden for institutions and students. Responses were closed on Sept. 1, 2021, and NASFAA received 248 sign-ups. NASFAA stratified the respondents based on self-identified institution type, institutional control (i.e., public, private for-profit, or private not-for-profit) and then randomly selected and invited 10 participants to each of three forums. Invitations for each forum consisted of three 4-year public institutions, three not-for-profit institutions (2-year and 4-year), two 2-year public institutions, one proprietary institution, and one financial aid professional who identified as a member of the graduate/professional community. In September 2021, NASFAA conducted the three virtual forums as listening sessions. Ten participants joined the first and second forums, and 11 joined the third. Conducted using Zoom video conferencing, each forum ran approximately 60 minutes. Following the listening sessions, NASFAA analyzed the recordings and notes for this paper. Findings from these sessions are presented in the feedback from the field section titled “Findings from financial aid administrator listening sessions.” Detailed findings from this work are found in Appendix C.

NCAN Membership Listening Sessions: In August and early September 2021, NCAN invited participation in virtual feedback sessions. Invitations were issued through NCAN’s Rapid Response Policy Team (12 participants) and to a previously convened FAFSA Working Group (five participants). Seventeen individuals participated in three sessions via Zoom virtual meetings that lasted for approximately one hour. Of the participants, 15 represented nonprofit organizations that provide direct service to students. One individual was from a college but was not a financial aid administrator, and one individual was employed by a state agency in a FAFSA outreach role. The feedback from the field section titled “Findings from college access practitioner listening sessions” includes these findings. Detailed findings from this work are found in Appendix D.



APPENDIX B: FINDINGS FROM AN ONLINE MEMBERSHIP POLL

UNDERGRADUATE STUDENTS

Overall, the majority of respondents found all 12 proposed solutions to be “very helpful” or “somewhat helpful” to undergraduate students, with even the least helpful solution (“*Legislation or regulation requiring institutions to accept verification results from other institutions*”) still being selected by 52% of respondents. The 12 proposed solutions included:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statements. (99%)
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers. (96%)
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification. (91%)
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (90%)
- Universal statement/form for non-tax-filers selected for verification (parents or independent students). (86%)
- Requiring all schools to use a standard verification form template developed by ED. (78%)
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again. (77%)
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school. (71%)
- ED creating a central portal that all schools can access, where students can upload verification documents (67%)

- Students with Zero EFC should not be selected for financial verification. (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (63%)
- Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification. (60%)
- Legislation or regulation requiring institutions to accept verification results from other institutions. (52%)

THE TWO SOLUTIONS WHICH WERE MOST CITED AS “NOT AT ALL HELPFUL” WERE:

- Legislation or regulation requiring institutions to accept verification results from other institutions. (16%)
- Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (10%)

NASFAA Respondents: Responses for survey respondents who identified as NASFAA members did not significantly differ from overall respondents for solutions related to undergraduate students. The majority of respondents still found 11 of the 12 solutions to be “very helpful” or “somewhat helpful.” The only response that did not receive majority support was “*Legislation or regulation requiring institutions to accept verification results from other institutions,*” however, it still received support from 45% of respondents.

NCAN Respondents: Responses from survey respondents who identified as NCAN members did not differ from overall respondents for solutions related to undergraduate students. The majority of respondents found all 12 solutions to be “very helpful” or “somewhat helpful.” There was a higher percentage of NCAN membership who selected “unsure/don’t know” for the two legislative solutions, “*Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification*” and “*Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school*” (21% each for NCAN respondents, versus 5% and 9% for overall respondents). But overall, these solutions were still found to be helpful for undergraduate students by the majority of NCAN member respondents.

GRADUATE AND PROFESSIONAL STUDENTS

We did not find the same results for graduate and professional students. As shown below, few solutions (just over half) were found to be “very helpful” or “somewhat helpful” by the majority of respondents.

- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers. (71%)
- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of nonfiling statement. (71%)
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (67%)
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification. (61%)
- Universal statement/form for non-tax filers selected for verification (parents or independent students). (60%)
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again. (59%)
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school. (50%)

THE TWO SOLUTIONS WHICH WERE MOST CITED AS “NOT AT ALL HELPFUL” WERE:

- Legislation or regulation requiring institutions to accept verification results from other institutions. (15%)
- Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (10%)

It should also be noted that while fewer solutions were selected as “very helpful” or “somewhat helpful,” this does not mean the others were overwhelmingly selected as “not at all helpful.” For this population of students, approximately 25% to 30% of respondents indicated they were unsure or did not know if this solution would be helpful. NASFAA asked more about this difference in its listening sessions to gain a better understanding of why this difference may have occurred.

NASFAA Respondents: Responses for survey respondents who identified as NASFAA members did differ somewhat from overall respondents for solutions related to graduate and professional students. The majority of respondents found only seven of the 12 solutions to be “very helpful” or “somewhat helpful.” They are as follows:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification.
- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school.

This is noteworthy, as only two of these solutions were supported by the majority of overall respondents:

- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.

As indicated for the overall respondents, it should also be noted that while fewer solutions were selected as “very helpful” or “somewhat helpful” this still does not mean the others were overwhelmingly selected as “not at all helpful.” For this population of students, NASFAA member respondents indicated approximately 20% to 25% of the time that they were unsure or did not know if this solution would be helpful.

NCAN Respondents: Responses for survey respondents who identified as NCAN members did differ somewhat from overall respondents for solutions related to graduate and professional students. The majority of respondents found only seven of the 12 solutions to be “very helpful” or “somewhat helpful.” They are as follows:

- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.
- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- ED creating a central portal that all schools can access, where students can upload verification documents.
- Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).

As indicated for the overall respondents and NASFAA member respondents, it should also be noted that while fewer solutions were selected as “very helpful” or “somewhat helpful” this still does not mean the others were overwhelmingly selected as “not at all helpful.” For this population of students, NCAN member respondents most often selected “unsure/don’t know” (an average of 45% to 55% per solution). It should be noted that most NCAN members do not serve graduate students.

NCAN and NASFAA Respondents: When separating out NASFAA and NCAN membership respondents there were four solutions found to be “very helpful” or “somewhat helpful” by the majority of both membership bodies for graduate and professional students:

| Proposed Verification Solution for Graduate and Professional Students: | Percentage who found a solution “very helpful” or “somewhat helpful” | |
|--|--|------|
| | NASFAA | NCAN |
| IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement | 75% | 56% |
| Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers | 74% | 58% |
| Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose) | 68% | 57% |
| Continuously enrolled students who have successfully completed verification in the previous year should not be selected again. | 59% | 58% |

INSTITUTIONS AND ORGANIZATIONS

Results also differed slightly for respondents when asked what solutions would be most helpful for the institution and/or organization. Of the 12 choices, the majority of respondents felt at least 10 would be “very helpful” or “somewhat helpful.”

- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers. (85%)
- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement. (82%)
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification. (81%)
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification. (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (76%)
- Universal statement/form for non-tax-filers selected for verification (parents or independent students). (69%)
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school. (66%)
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again. (64%)
- Requiring all schools to use a standard verification form template developed by ED. (61%)
- ED creating a central portal that all schools can access, where students can upload verification documents. (54%)
- Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification. (54%)

THE TWO SOLUTIONS WHICH WERE MOST CITED AS “NOT AT ALL HELPFUL” WERE:

- Legislation or regulation requiring institutions to accept verification results from other institutions. (16%)
- Students with Zero EFC should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (10%)

NASFAA Respondents: Responses for survey respondents who identified as NASFAA members differed from overall respondents for solutions related to their institution/organization. The majority of respondents only found nine of the 12 solutions to be “very helpful” or “somewhat helpful”. They were:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement. (84%)
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers. (82%)
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification. (79%)
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose). (77%)
- Universal statement/form for non-tax-filers selected for verification (parents or independent students). (69%)
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school. (67%)
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again. (62%)

- Requiring all schools to use a standard verification form template developed by ED. (58%)
- Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification. (54%)

NCAN Respondents: Responses for survey respondents who identified as NCAN members differed from overall respondents for solutions related to their institution/organization. The majority of respondents found all 12 solutions to be “very helpful” or “somewhat helpful.”



ALL POPULATIONS

Across all three populations (undergraduate students, graduate/professional students, and institutions/organizations) eight of the proposed solutions were found to be “very helpful” or “somewhat helpful” by the majority of overall survey respondents:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- Requiring all schools to use a standard verification form template developed by ED.
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school.

One additional solution was found to be “very helpful” or “somewhat helpful” by the majority of respondents for undergraduate students and institutions/organizations, but was not found to be helpful by the majority of respondents for graduate and professional students: “ED creating a central portal that all schools can access, where students can upload verification documents.” However, as noted above, this solution was not found to be “very unhelpful” by the majority of respondents (7%) but was cited as an “unsure / I do not know answer” more often (29%).

NASFAA Respondents: Responses for survey respondents who identified as NASFAA members differ slightly from overall respondents. The majority of respondents found seven of the proposed solutions to be helpful for all three populations:

- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.
- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- ED amending its verification algorithm to better target applications likely to have an EFC change as a result of verification.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).
- Universal statement/form for non-tax-filers selected for verification (parents or independent students).
- Continuously enrolled students who have successfully completed verification in the previous year should not be selected again.
- Legislation or regulation assuring institutions that they would not be held liable for verification errors made by another school.

And an additional two were found to be helpful for undergraduates and institutions/ organizations by the majority of NASFAA respondents:

- Requiring all schools to use a standard verification form template developed by ED.
- Legislation or regulation providing an easier way to confirm which ISIR transaction had been verified by another school other than collecting a letter from the school that performed the verification.

NCAN Respondents: Responses for survey respondents who identified as NCAN members differ slightly from overall respondents. The majority of respondents found three of the proposed solutions to be helpful for all three populations:

- Implementation of FAFSA Simplification Act/FUTURE Act changes enabling direct IRS-to-ED sharing of income data for all FAFSA filers.
- IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement.
- Any FAFSA filer whose information is transferred from the IRS should not be selected for financial verification (i.e. the only verification group they could be assigned is V4- identity/statement of educational purpose).

However, when removing the graduate and professional population the majority of NCAN members found all 12 proposed solutions helpful. Again, as noted above, NCAN members did not indicate other solutions were “not at all helpful” for graduate and professional students, the majority indicated they were “unsure or did not know.”



APPENDIX C: FINDINGS FROM FINANCIAL AID ADMINISTRATOR LISTENING SESSIONS

Expansion of the IRS Data Retrieval Tool: Listening session participants were first asked about the proposed solution of updating the *“IRS Data Retrieval Tool to confirm non-filer status in lieu of required verification of non-filing statement”* and how this solution would be helpful to their population of students. Overwhelmingly they supported this suggestion. Many cited that this solution holds the U.S. Department of Education responsible for reconciling conflicting data even when it does not reside in its office, just as the department holds institutions responsible for reconciling conflicting data when it is outside of the financial aid office. Others felt that students do not understand what is needed or how to obtain the statement and it adds greatly to their processing times and burden of verification. Financial aid administrators at proprietary institutions mentioned that this requirement becomes increasingly difficult when the statement is needed for a parent and not just a student, and can greatly increase the burden on the student. Administrators across multiple sectors mentioned that this requirement feels confusing to their student population and takes away from their ability to focus on their education. A few cited that they felt this requirement tapped into many students’ and parents’ fears of communicating with the IRS directly.

Accepting verification results from other institutions: Listening session participants were next asked about their thoughts on the proposed solution of *“Legislation or regulation requiring institutions to accept verification results from other institutions,”* which 20% of survey respondents indicated would be “not at all helpful.” Participants cited two main concerns: 1) being responsible for the other institution’s verification results in an audit, and 2) that their use of institutional methodology required them to collect the additional verification information anyway, so it would make more sense to complete their own verification. Despite these two concerns, many participants acknowledge that this change could be very beneficial to students in reducing burden, but many felt it could be harmful to students if changes in the student’s favor were missed and they received less need- or merit-based aid than they qualified for.

When discussing audit concerns, many administrators mentioned their concern on where the burden would lie if an institution makes an incorrect disbursement for a student based on another school’s verification: on the school that completed the verification or on the school that disbursed the funds.

When discussing the use of institutional methodology, participants at not-for-profit institutions mentioned that their institutions often collected additional and different types of information beyond what is required by the Department of Education, including W-2s, information on business values, and more. Others cited concerns about different interpretations of submitted verification documentation which, while not wrong, may have led to a different decision or calculation at their institution.

When asked if there was anything the department could do to make financial aid administrators feel differently about accepting other institutions' verification results, participants were split. Some felt that if ED could hold them harmless they could agree with this solution. Many still felt that even if they were being held harmless for accepting verification results from another institution they would still want to complete the verification process themselves. Participants at 4-year public and not-for-profit institutions who still wanted to complete the verification at their own institution indicated a need to ensure the student's EFC was correct. They also indicated that this number is used for many other things across campus, including scholarships and grant dollars, so the need to feel it was correctly calculated by someone in their own office was even higher.

Verification for continuously enrolled students who have successfully completed the process: Listening session participants were asked to share their reactions to the proposed solution that *"Continuously enrolled students who have successfully completed verification in the previous year should not be selected again."* It was noted that approximately half of the survey respondents found this solution helpful. Overall, the majority of participants supported this solution, but many felt there needed to be thresholds in place for it to be successful. Several participants cited seeing the same students, most of whom were low-income, be selected year after year and raised the question of why the verification process continues to require poor students to over and over again prove their poverty. Many participants suggested that the department should be using its own data from past years as well as communicating with other federal systems to pull in as much information on students as possible to lighten the verification burden on students.

Community college participants expressed that being selected for verification continuously was a deterrent to completion for their population of students and that unless there is a major EFC change upon verification in one year, the student should not be flagged in subsequent years. Not-for-profit participants felt being selected for verification in multiple years places an undue burden on the student, but did not cite the same deterrent concerns as their community college peers. One participant from this sector did not support this recommendation and felt that selection for verification each year should be separate from prior years, citing concerns that verifying someone one year did not guarantee there would be no changes the second year. Participants representing graduate

and professional and proprietary institutions expressed support for a one-time FAFSA and a corresponding one-time verification process.

Additionally, participants were mixed on the importance of verifying particular types of information annually. For instance, items such as the household size, number in college, and income were noted as things that could change from year to year, but the statement of educational purpose and identity were noted as things that do not change and seemed unnecessary to continue verifying yearly. Participants who did not support this solution noted that while they do see the same families year after year, they feel that they also end up making changes to the students' information each year after receiving the verification documentation, and feel that being selected is appropriate for these students.

Separately, listening session participants were asked if they felt that continuously enrolled students are being selected for verification again each subsequent year. Responses were mixed, but it seemed that overall, institutions were not tracking verification selection data in this way. Graduate and professional administrators were split, with some feeling the same students were selected and some feel that it was mostly incoming students. Four-year public institutions all agreed that the overall number of students selected for verification had decreased in recent years, but were unsure how that looked for continuing students. Four-year not-for-profit and community college participants were also split, with some feeling that they are seeing the same, continuously enrolled students every year. Others expressed that the number of students selected for verification overall has decreased, but they are unsure how it has changed for continuously enrolled students.

Students who struggle with verification: Listening session participants were asked to share particular populations of students on their campus who struggle the most with the verification process. Across all groups, low-income and first-generation were noted as the population that struggles the most. Other groups that were cited included:

- Formerly dependent students who recently became independent students (noted by graduate and professional financial aid administrators).
- Students who lack parental support, students with a parent whose first language is not English, non-traditional students, students who are eligible citizens but whose parents are not, and independent undergraduate students (noted by 4-year public and not-for-profit financial aid administrators).
- Students whose first language is not English (noted by community college financial aid administrators).
- Students with marital status changes during the tax year (noted by proprietary institution financial aid administrators).

Verification Interventions: Listening session participants were asked to share interventions their institution put into place to make the verification process easier for students. Participants from all sectors shared about the shift from paper forms to the use of electronic forms, electronic submission avenues, and the adoption of electronic signatures. This shift was especially prominent with 4-year public institutions and 4-year not-for-profit institutions where most, but not all, were almost entirely or entirely paperless. Many participants at 4-year institutions also cited contracting with a third-party vendor to allow them to offer longer call center hours and enlist the use of smart logic, which cuts down on many errors across verification worksheets. Four-year not-for-profit institutions cited using text messaging to engage with students and trying to engage with other administrators across campus to help the student through the process, including coaches and academic advisers. Community College participants in our listening sessions were much more likely to utilize paper forms and felt that their best interventions were presentations and FAFSA completion nights at their institution and in the larger community. Some indicated they had a portal for uploading documents, but that it did not allow for electronic signatures. Community college participants also indicated that offering their forms in multiple languages and bringing in FATV has greatly helped their population of students. Proprietary participants noted the shift to using Zoom meetings with their students to assist them in completing verification paperwork has been successful, and some indicated the use of a portal for sending forms or electronic signatures has also eased the burden on their students.

Verification solutions for graduate and professional students: As noted in the survey findings above, almost all proposed solutions were cited as being more helpful for undergraduate students than graduate and professional students. When asked to share their thoughts on why this may be the case, listening session participants cited three major reasons:

- Graduate and professional students do not receive need-based Title IV funding, outside of federal work-study, that would be affected by completing verification and a resulting EFC change.
- Graduate and professional students are a small percentage of the population of students selected for verification.
- Graduate and professional students can have their verification requirement waived if they are not receiving any need-based aid.

APPENDIX D: FINDINGS FROM COLLEGE ACCESS PRACTITIONER LISTENING SESSIONS

Verification is a burden: Listening sessions opened with asking participants to discuss the accuracy, in their experience, of the statement “verification is a burden.” All participants in the three groups agreed with the statement. The top response related to the burden was emotional: being selected for verification communicated to students that they had done something wrong, contributed to the feeling that they did not belong in higher education, and created another barrier. Several advisers reported students often express the feeling that being selected for verification makes them “not want to go to college.” No participants reported a sentiment that verification was viewed positively, or even neutrally, by students.

The second large group of barriers presented by verification was specific to students applying to multiple colleges at the beginning of their postsecondary journeys. In this case, institutions notified students about their selection in various formats, required different documents to be submitted, had different forms to complete, and required the return of documents through various means. This side of the verification burden may not be as apparent to financial aid administrators, but frequently is the focal point of verification discussion for college access advisers. While college access programs also serve returning students and assist in their financial aid processes, the transition from high school to college is the linchpin in the pipeline of services. Students who must complete the verification process multiple times because they applied to more than one institution experience the largest level of burden.

Two biggest challenges with verification: Next, session participants were asked to identify the two largest challenges in supporting students through the verification process. The most commonly cited concern here was helping students understand the terminology used, which was referred to as “jargon.” The challenge was complicated by institutions using multiple different forms, which require students applying to multiple institutions to understand the differences of each form. Echoing the conversation about verification burden, helping students learn whether they have been selected for verification is a significant challenge given the multitude of locations a student must check to find the information. This challenge is also exacerbated for students who apply to multiple institutions.

Other challenges mentioned include accessing tax transcripts if they are required, obtaining verification of non-filer forms from the IRS, institutions that do not provide estimated award packages before verification completion, and turnaround time if verification must happen right before the term begins.

Two primary ways advisers assist in the process: The college access practitioners were asked to share the supports they provide to students during the verification process. Respondents shared that advisers work with students every step of the way throughout verification to ensure all steps have been completed and documents have been received by the student and submitted to the institution. This includes explaining what the various documents are and how to obtain them as well as assisting students with the technology needed to securely obtain and share documents necessary for verification. This amount of work doubles, triples, quadruples when a student is applying to more than one institution, as there is not always overlap in the work needed to complete verification across the group of institutions.

Additionally, advisers shared that they help students understand the process is normal or common, and not a reflection of something the student did wrong. This reflects the emotional burden that being selected for verification places on students.

Top three survey responses: During the sessions, the participants all agreed with the rank-order results of the anonymous survey finding. The most popular solution among NCAN survey respondents to impact both undergraduate students and their organizations is the effective implementation of the FUTURE Act of 2019 and the FAFSA Simplification Act of 2020. These laws will ease the pathway for data-sharing and a short FAFSA form, both of which should contribute to a shorter verification process. The second most popular response as to improving the verification experience for both students and college access organizations is for the IRS Data Retrieval Tool to confirm non-tax-filer status for FAFSA filers rather than the students having to submit a statement of non-tax-filing.

Two additional solutions tied for third in deriving the most support from NCAN members: 1) ceasing verification of any data elements transferred from the IRS and 2) requiring all schools to use a standard verification template that is developed by Federal Student Aid. This latter option was more popular among NCAN members than financial aid administrators, possibly because NCAN members work primarily with students applying to multiple institutions.

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