

Fall 2022 NCASFAA Conference

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“Being Spooky Since 1966”



Verification Melt: What the data tells us about the impact on enrollment

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FAFSA completion is a strong indicator of fall enrollment:

84%

Seniors who complete the FAFSA are **84% more likely** to immediately enroll in postsecondary education.

127%

Seniors from the lowest socioeconomic quintile are **127% more likely** to immediately enroll in postsecondary education.

But getting students to complete a FAFSA is difficult

\$3.75 B

Pell grants left on the table by high school seniors in 2021 simply by not completing the FAFSA, the National College Attainment Network (NCAN) analysis found

\$126 M

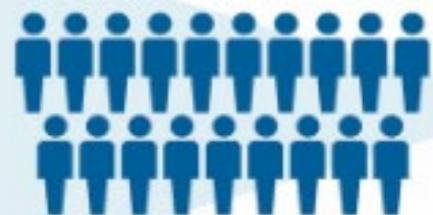
Pell grants left on the table by North Carolina high school seniors in 2021 simply by not completing the FAFSA



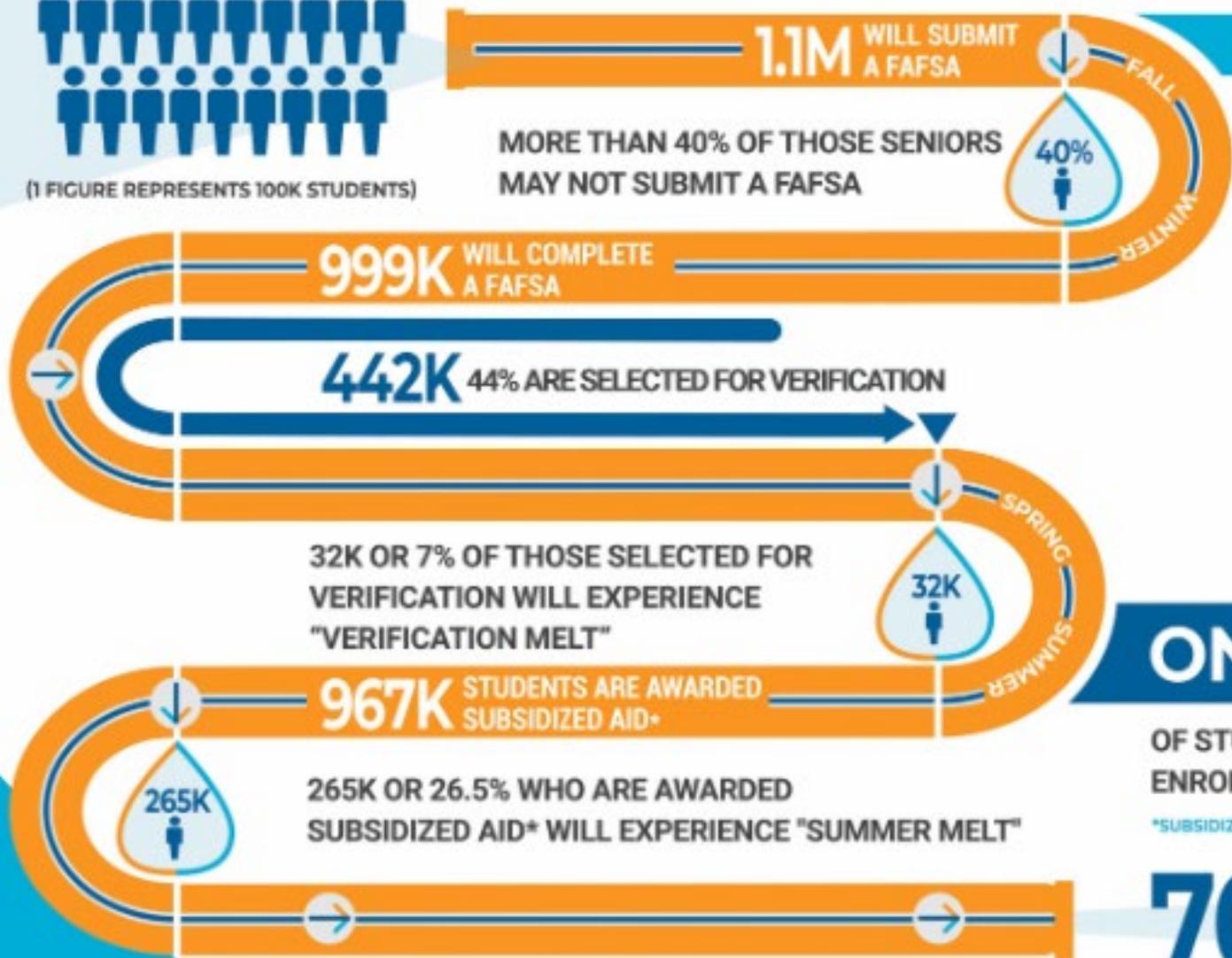
Summer melt gets lots of attention, but verification melt has serious impacts, too



OF 1.9 MILLION HIGH SCHOOL SENIORS FROM LOW-INCOME BACKGROUNDS



(1 FIGURE REPRESENTS 100K STUDENTS)



THE LEAKY FAFSA PIPELINE

PATHWAY THROUGH THE FAFSA PROCESS

TOP REASONS STUDENTS DO NOT SUBMIT A FAFSA

1. DO NOT KNOW HOW OR THAT THEY COULD
2. ARE DEBT AVERSE OR THINK CREDIT IS TOO LOW
3. ARE NOT PURSUING COLLEGE
4. BELIEVE THE FORM IS TOO COMPLICATED

ONLY 38%

OF STUDENTS FROM LOW-INCOME BACKGROUNDS ENROLL USING SUBSIDIZED AID*

*SUBSIDIZED AID INCLUDES A PELL GRANT OR A SUBSIDIZED STAFFORD LOAN

702K

Verification is coming under more scrutiny:

- Why does FSA verify more FAFSAs (17-30%+) than the IRS audits tax returns (0.25%)?
- Well-targeted verification can achieve better results than broader verification policy
- Why are BIPOC disproportionately selected?
- Is the burden worth the impact on financial aid offices?

Can data guide us to more effective verification policies?

- **72% so no change** in their award
- 9% saw changes of less than \$500

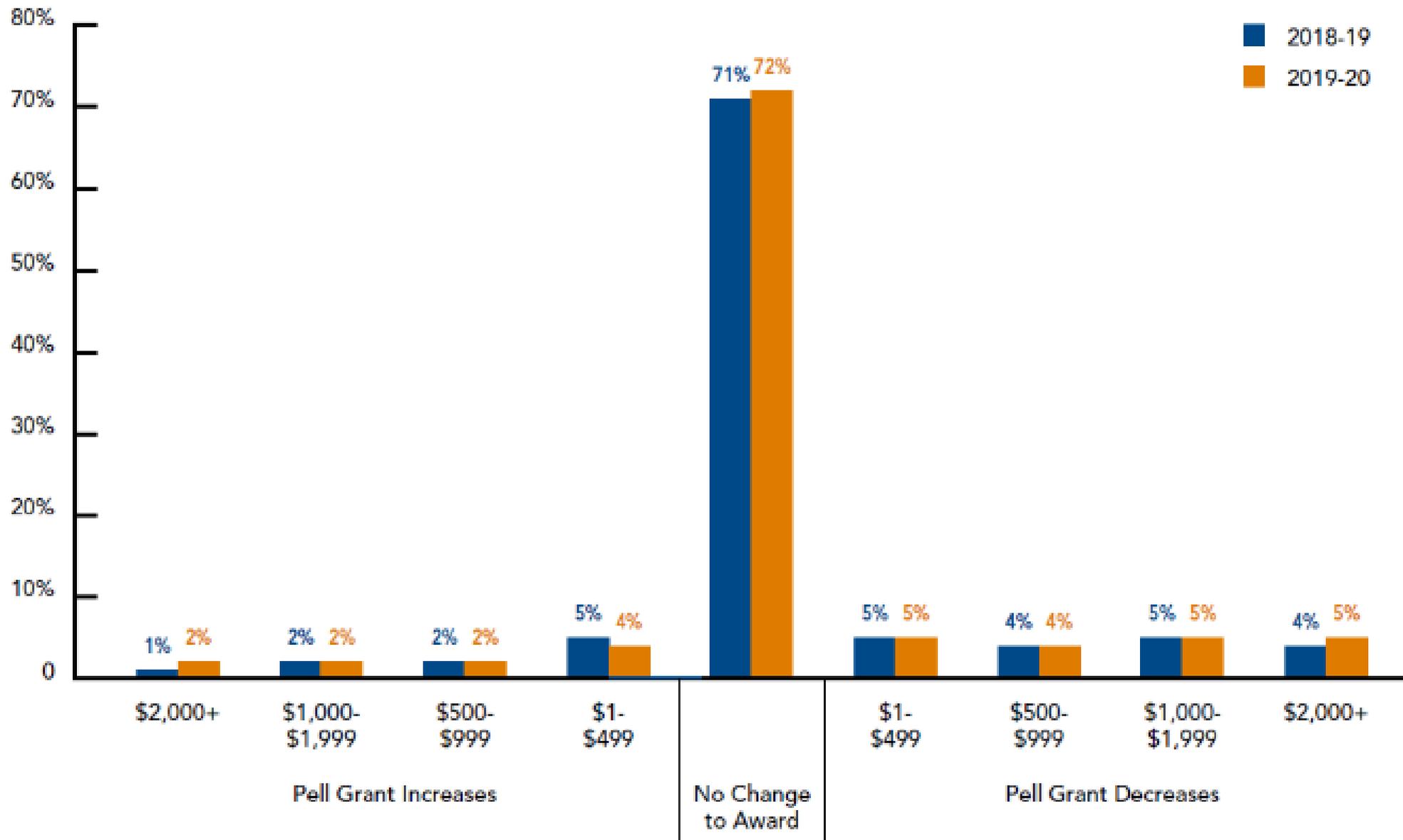


Figure 1. Percent distribution of applicants' award changes after verification, AY 2018-19 and 2019-20.

Students who qualified for auto-zero EFC:

90%+

Saw *no change* in their award

Table 2: Percent of Applicants with Unchanged Awards Post Verification, AY 2018-19 and 2019-20

	AY 2018-19	AY 2019-20
All applicants	71.3%	72.2%
Auto-zero EFC	96.1%	93.4%
Non-auto-zero EFC	65.1%	68.6%
High school seniors	73.8%	68.0%
Auto-zero EFC	96.9%	93.1%
Non-auto-zero EFC	64.9%	63.3%

NCAN and NASFAA joined to recommend:

Modify verification selection algorithms to target FAFSA filers with likely EFC changes, to exclude filers who:

- 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 joined to recommend:

FSA and the IRS work to provide verification of non-filing via the IRS DRT, a group of students most burdened by verification.

Group discussion



Are your policies keeping up with the findings?

- Are you tracking your institution's verification melt?
- Are you disaggregating that data to see if some student populations are melting at higher rates?
- Given that 3 out of 4 students flagged for verification saw no change, how can your college's policy better reflect where errors or fraud is most likely to occur?

Cost:

How can you partner with your admissions office and institutional research to track the impact in:

- Enrollment melt caused by verification
- Cost to the financial aid department for onerous (and unfruitful) policies?

Platinum Level Supporters



Gold Level Supporters



Silver Level Professional Affiliates



Bronze Level Professional Affiliates

ECMC