

WASHINGTON, DC 20510

June 18, 2024

The Honorable Sandra Bruce Inspector General U.S. Department of Education 400 Maryland Avenue, S.W. Washington, D.C. 20202

Dear Inspector General Bruce:

We write to you regarding the launch of the new Free Application for Federal Student Aid (FAFSA), which was unveiled on December 31, 2023. In 2020, Congress passed the *FAFSA Simplification Act*¹, intending to streamline and demystify the federal financial aid process, redesign the FAFSA, and increase access to grants, student loans, and work-study opportunities.

The "Better FAFSA" form impressively simplified the federal financial aid application from over 100 questions to as few as 18,² allowing many students to retrieve income data directly from the Internal Revenue Service and apply for aid in less than thirty minutes. According to the Department of Education, the updated student aid determination formula, as part of the *FAFSA Simplification Act*, is expected to provide an additional 665,000 students from low-income backgrounds with access to federal grants and more than 1.7 million students with the maximum grant amount.³ This includes 16,626 Virginia students who will have new access to the Pell Grant and an additional 37,916 Virginians who will go from partial Pell Grant funding to full, expanding affordability and paving paths towards higher education.⁴

Despite this progress, we are disappointed to report that we have heard from countless students, parents, educators, high school counselors, financial aid administrators, and higher education institutions sharing their experiences and expressing great worry with the implications of the 2024-2025 FAFSA rollout.

In particular, issues with the form leading to long periods of uncertainty have had a major ripple effect on students and colleges alike. Students experienced delayed access to the application, technical glitches impacting timely submission, and processing errors. As a result of these setbacks, higher education institutions received student financial data months later than expected,

¹ H.R. 133, the Consolidated Appropriations Act of 2021 (P.L. 116-260).

² U.S. Department of Education Releases New Data Highlighting How the Simplified, Streamlined, and Redesigned Better FAFSA® Form Will Help Deliver Maximum Pell Grants to 1.5 Million More Students, U.S. Department of Education.

³ The Better FAFSA, U.S. Department of Education.

⁴ <u>U.S. Department of Education Releases New Data Highlighting How the Simplified, Streamlined, and Redesigned Better FAFSA® Form Will Help Deliver Maximum Pell Grants to 1.5 Million More Students, U.S. Department of Education.</u>

causing slowdowns in the process of providing prospective students with complete financial aid packages ahead of college enrollment deadlines. Many colleges and universities pushed their enrollment deadlines, leading to fragmentation in the college decision timeline.

We welcomed the Department's efforts over the last few months to provide workarounds to some of aforementioned issues⁵ and new steps to support schools and students,⁶ which has resulted in the successful submission of 8.95 million forms.⁷ However, the FAFSA impediments and other persisting obstacles have, unfortunately, left prospective students with inadequate time to consider financial aid packages prior to college decision day. In some cases, students have had to commit to a school without a complete understanding of their aid or forgo enrolling in school altogether – the exact opposite of what the new form was intended to achieve.

And, while most problems have been fully resolved or provided temporary fixes, we remain concerned about continuing challenges, including that students from a mixed immigration status family and whose contributors do not have a Social Security Number are still unable to successfully submit the FAFSA form. Such FAFSA hurdles particularly impact individuals who need financial aid the most, including low-income, first-generation, and traditionally underserved students. For many of these students, the biggest consideration in committing to a college is deciding how to finance it.

Further, recent data demonstrates that current national and state-level FAFSA completion rates are lower than last year. According to the National College Attainment Network, as of May 17, only 41.5% of the high school class of 2024 completed the FAFSA – a 15.5% drop from the previous class. We are greatly concerned that, as a result of FAFSA related issues and the continuation of such issues, more students will consider opting out of pursuing higher education in the coming years.

We recognize that the Department of Education, and in particular, the Office of Federal Student Aid, was under a difficult implementation timeline while managing limited funding and resources for an extensive financial aid portfolio. We also want to highlight that the contractors responsible for overseeing the implementation played a leading role in the deployment of the form and ensuing complications.⁹

As such, we express great concern with the deployment of the 2024-2025 FAFSA form and the potential consequences it will have on students seeking federal financial aid and pursuing higher education in the fall and the academic years after. We also are concerned about the potential for continued disruptions for the 2025-2026 FAFSA. That is why, we respectfully request that the

⁵ 2024-25 FAFSA Issue Alerts, Federal Student Aid, U.S. Department of Education.

⁶ <u>U.S. Department of Education Announces Latest Step to Support Schools and Students with Better FAFSA, U.S. Department of Education.</u>

^{7 &}lt;u>U.S. Department of Education Launches Next Phase of FAFSA Support Strategy to Boost Completion Rate</u> Among High School Students, U.S. Department of Education.

⁸ FAFSA Tracker, National College Attainment Network.

⁹ Inside the Blunders that Plunged the College Admission Season Into Disarray, The Washington Post.

Office of the Inspector General review and assess the development, implementation, and management of the "Better FAFSA" and swiftly provide direction for corrective action to ensure a smooth and uninterrupted application process for the upcoming academic year and beyond.

We are cognizant of the existing investigations currently open by the Government Accountability Office (GAO). We ask the Office of the Investigative General (OIG) work to ensure that both entities are working in coordination and that investigative efforts are not duplicative. We also understand that GAO investigations operate on a long-term scale and that the current issues regarding the 2024-2025 FAFSA are time sensitive because of the expected to roll out on October 1, 2024. Notwithstanding the GAO investigations, we ask that the OIG consider issuing a separate "management alert" that identifies that current issues with the FAFSA form, potential issues that may arise ahead of October 1, and recommendations to ensure a smooth application period.

Additionally, we ask that your larger and full review of the "Better FAFSA" form and the implementation of the *FAFSA Simplification Act* include, along with any other topics you find appropriate, include a full assessment of the following:

- A detailed chronology of the development, implementation, and management of the form:
- Contributing factors to the form delay, technical malfunctions and backend complications, formula miscalculations, data and processing errors, and other issues;
- The role of contractors in the launch of the FAFSA form;
- The Department's oversight, performance standards, and review of contractors;
- The Department's communication and information sharing with impacted communities, including students and higher education institutions;
- The impact of funding and other competing priorities on implementation;
- The deadline for implementation, which was pushed from July 1, 2023 to July, 1, 2024;¹⁰
- Potential challenges that the Department will need to anticipate ahead of the coming academic year and beyond; and
- Recommendations for corrective action.

The FAFSA form is a gateway to college accessibility and affordability and through this review and recommendations for improvement, we aim to ensure that doors to postsecondary institutions remain open to interested students.

We appreciate your prompt attention to this request.

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¹⁰ The FAFSA Simplification Act, Congressional Research Service.

Mark R. Warner
U.S. Senator

Tim Kaine U.S. Senator