



REPORT HIGHER EDUCATION

Should States Make the FAFSA Mandatory?

JULY 29, 2020 — PETER GRANVILLE

Executive Summary

Three states have now enacted “Mandatory FAFSA” policies, which require twelfth graders to either apply for federal student aid or expressly opt out before they graduate. With another thirteen states considering enacting their own policy, it is one of the fastest-moving movements in college access policy, but its outcomes and nuances are not yet well understood.

This report contests the view that the policy is an easy solution to FAFSA completion. But it also finds that the policy, when well-implemented, carries real promise. In Louisiana, the only state of the three that has fully implemented the requirement, 1 in 3 public high schools had a FAFSA completion rate of at least 65 percent before the policy went into effect—now, 4 in 5 do. This report finds, as well, that the mandatory FAFSA shows potential in terms of correcting long-standing disparities in FAFSA completion between high-poverty, diverse school districts and their lower-poverty, less diverse peers. With Louisiana’s policy, the FAFSA completion gap separating high-income districts from low-income districts closed remarkably, from 8.5 percentage points to 1.1 percentage points in just one year.

States enacting mandatory FAFSA policies must center equity in their designs: for example, undocumented students will experience this requirement differently than their peers, and states should provide easy pathways for these students to opt out. State should also look to overcome potential shortfalls that threaten efficacy: this report finds that many FAFSAs in Louisiana—particularly in lower-income, more diverse school districts—are submitted but never assessed for financial aid eligibility. Most importantly, the state should deliver new financial resources to schools with many low-income students, who are the most likely to face structural barriers to FAFSA completion.

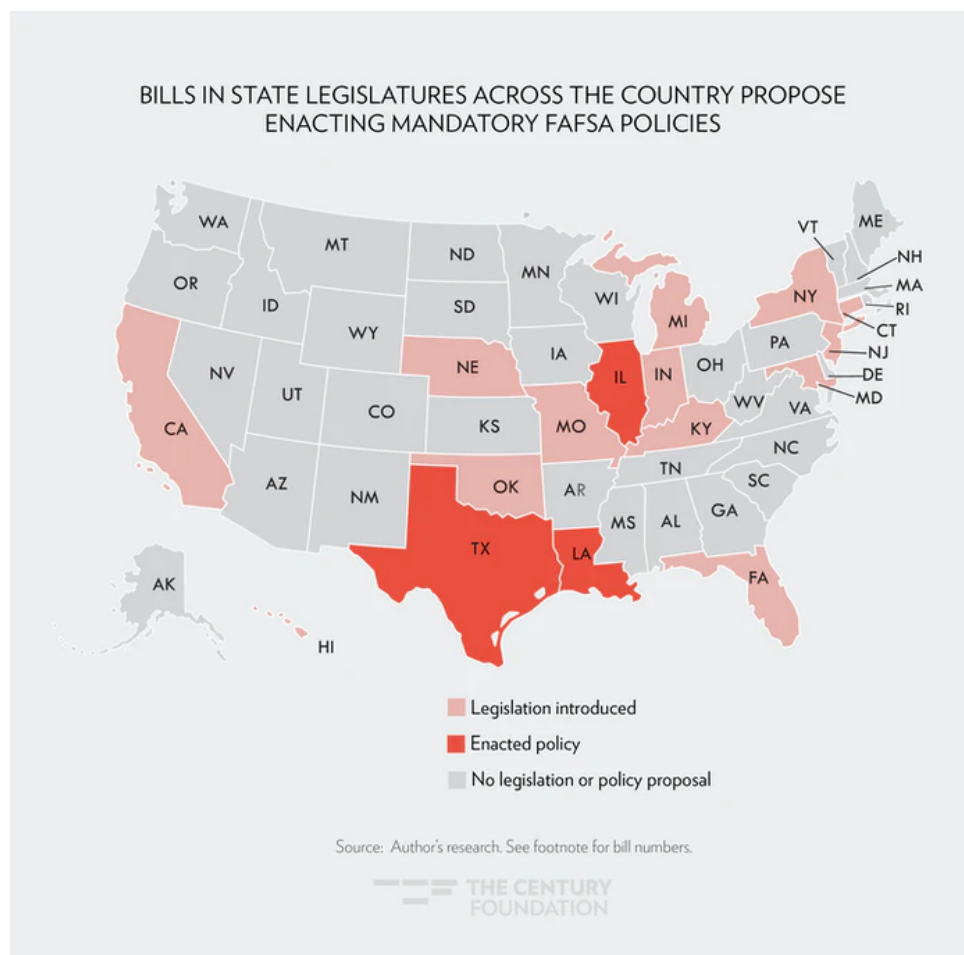
Introduction

College affordability has become a top concern among lawmakers nationwide.¹ Following decades of rising college costs,² a growing share of those costs being borne by students and their families,³ and weak wage growth for much of the workforce,⁴ higher education has become more economically challenging than ever. Student financial aid can offset some of the costs families face, and the majority of all student financial aid is now delivered by the federal government.⁵ The federal Pell Grant can reduce net cost by up to \$6,345 per year, and federal loans offer more favorable terms than private loans. To be eligible for this aid, as well as for many forms of aid from states and higher education institutions, families must complete the Free Application for Federal Student Aid (FAFSA) every year. Aid offers may motivate⁶ students who otherwise would not enroll in college to consider doing so,⁷ yet estimates suggest that a majority of twelfth graders who are likely to be eligible for the Pell Grant do not complete the FAFSA.⁸

While federal proposals for FAFSA simplification await consideration in Congress,⁹ a concurrent strategy intended to increase FAFSA completion, improve college affordability, and increase college enrollment is gaining traction among state governments. Through policies known as the “Mandatory FAFSA,”¹⁰ three states require (or will soon require) public high school twelfth graders—as a formal graduation requirement—to either submit the FAFSA or opt out through signed waivers.¹¹ This condition for graduation has been in place in Louisiana since the 2017–18 academic year, and Illinois and Texas have passed legislation

enacting the mandatory FAFSA starting in 2020–21 and 2021–22, respectively. The policy has also been implemented at the local level in Val Verde Unified School District, in California, since 2017–2018. Meanwhile, legislators in thirteen other states and Washington, D.C. introduced bills in 2019 proposing that either the mandatory FAFSA or an exploratory workgroup be established.¹²¹³

FIGURE 1



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The movement for the mandatory FAFSA is nascent yet moving rapidly, and is driven by lawmakers on both sides of the aisle¹⁴ interested in increasing available student aid at low expense to state budgets. Estimates suggest that some \$2 billion-plus in Pell Grants goes unclaimed by low-income college students every year.¹⁵ If a policy intervention could increase the number of twelfth graders completing the FAFSA, then many more Pell Grants would be claimed, reducing the net price for low-income students entering college out of high school. The Pell Grant alone still leaves unmet financial need for many students,¹⁶ so efforts to increase Pell Grant uptake can only be one piece of a state's college affordability strategy. But if it can achieve the goal of improving Pell uptake, the mandatory FAFSA could make progress towards closing gaps in financial need, at a relatively minor cost to the state to implement the policy.

However, this vision remains largely untested, and there has been little research on the policy. Many questions deserve examination and discussion: Do FAFSA completion rates and college enrollment generally increase under the mandatory FAFSA policy? Will FAFSA completion under a mandatory FAFSA policy vary based on certain characteristics of students and their high schools? What accompanying support do students and families need to satisfy the requirement, and what burdens might such a requirement put on families without those supports, or on undocumented students who are unable to qualify for federal aid? Will this policy effort complement—or distract from—core changes needed in states to reinvest in higher education and to support adult students?

This report leverages available evidence to inform the national conversation about the mandatory FAFSA. It begins by comparing design differences across the three existing state policies and considers implications for students and schools. It then examines the evidence that has thus far appeared out of Louisiana, the only state at this point to have fully implemented the requirement, and highlights that FAFSA completion has improved mightily under the policy, and that increases are particularly strong in lower-income districts and more diverse districts. It also considers the evidence from Val Verde Unified School District, though broader conclusions about the policy's impact there are harder to draw. The report concludes by offering guidance for states pursuing the mandatory FAFSA amid the relative dearth of data on the policy's outcomes.

At the time of this report's publication, the COVID-19 pandemic is upending education in the United States in countless ways.¹⁷ We do not adjust our recommendations for the mandatory FAFSA, but we encourage lawmakers to think about how to support college access for the students who have lost precious months of in-person support from counselors as a result of school closure.

Policy Design Features

The mandatory FAFSA policy in Louisiana states simply that seniors at public high schools must—as a requirement for graduation—complete the FAFSA, submit an opt-out waiver, or be waived from the requirement by the state Department of Education due to extenuating circumstances (for example, the student's inability to contact the parent).¹⁸ Students who are ineligible for federal financial aid may satisfy the requirement by submitting an application for state financial aid.

The policies in Illinois and Texas feature some noteworthy differences in design. Illinois differs from the others in its clear expectation of schools' roles in mandatory FAFSA implementation. Its law states that school districts containing high schools “must provide to each high school student and, if applicable, his or her parent or guardian any support or assistance necessary to comply with [the policy].” Additionally, the school district must make a good-faith effort to assist the student and their family with the form before a student may be exempted for extenuating circumstances. Rigorous school support, then, is required rather than optional.

Under Texas's policy, a school counselor may waive students' requirement to apply for financial aid “for good cause, as determined by the school counselor.” There exist concerns that this could allow counselors to waive students en masse; but the state has concurrently passed a new performance-based funding policy that offers a financial incentive to schools to maximize FAFSA completion.

This new funding stream, which appears critical to the state's college access efforts, supplies districts with “outcomes bonus funding” when college-ready graduates enroll in college,¹⁹ with higher bonus amounts when the student was eligible for free/reduced price lunch (FRPL) or was in special education.²⁰ Ideally, this funding will create a self-reinforcing cycle where the initial new dollars support increases to schools' college access and FAFSA completion efforts, which lead to more students enrolling in college, which increases schools' performance funding, and so on. In this way, Texas's decision to financially incentivize school-level assistance for students contrasts with Illinois's approach, which sets expectations of assistance in statute, but has not yet increased support to schools in meeting the statute.²¹

How the mandatory FAFSA represents a “graduation requirement,” in the policy and in practice, also differs between the policies and merits closer examination. Although the official policy in Louisiana is that students must comply to graduate, officials stated that no student has ever failed to graduate on account of the policy.²² It may be that Louisiana schools recognize an *unofficial* policy that no student will fail to graduate due to the requirement. More explicitly, Illinois's policy states that a student with extenuating circumstances who meets all other requirements by graduation besides completing the FAFSA will not be denied their diploma.²³

Wraparound Support

Although not an explicit feature of these states' mandatory FAFSA policies, the hands-on support that state agencies provide to school districts is a crucial, albeit less tangible, factor in whether or not their respective mandatory FAFSA policies achieve their goals. These supports can include training for counselors, workshops for students, and regular reporting to help district leaders know which of their students have filed FAFSAs.

Texas and Illinois are still planning their implementations, and so the wraparound support that their states will be providing is still a relatively unresolved matter. Louisiana's support efforts, though, can be examined. The Louisiana Office of Student Financial Assistance (LOSFA) provides FAFSA guidance to students through workshops hosted by its professional staff. These workshops increased in number from 85 in the year before the mandatory FAFSA was enacted to 151 in 2017–18 and 218 in 2018–19.²⁴ (For comparison, there were 220 high schools in Louisiana with at least 65 FAFSA completions in the 2019–20 cycle.) Although this report does not attempt to prove causation, it is plausible that Louisiana's change in FAFSA completion rates, detailed below, may be partially attributable to the additional workshops.

Undocumented Students and Families

There has been notable concern about the mandatory FAFSA's potential unintended consequences for undocumented students.²⁵ One possibility is that such a requirement may add barriers to graduation for those students: the FAFSA requires a social security number (SSN), which many undocumented students lack.²⁶ Another possibility is that a FAFSA requirement may force a student who wishes not to disclose that they are undocumented to do so when they find, potentially while in a classroom setting, that they are unable to submit the FAFSA due to factors such as the lack of an SSN.

Importantly, Louisiana's parental opt-out form does not require any explanation about why the parent is opting their child out. However, it is easy to imagine undocumented families feeling stress and confusion upon hearing that the FAFSA, a form submitted to the federal government and containing copious personal information, is now required for their child's high school graduation. Additionally, it is important that undocumented students know that their ineligibility for federal aid does not necessarily mean that they are ineligible for state and institutional aid, and it does not necessarily mean they cannot apply to and enroll in college.²⁷ For these reasons, appropriate and intentional communication by schools to families is critical.

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Texas's policy potentially obviates the need for undocumented parents to take any action. A counselor may waive a student from the requirement for any "good cause" as determined by the counselor, meaning an undocumented student may be able to be waived simply through a visit to their counselor without involving parents.²⁸ The policy also guarantees that a counselor will only report to their school district whether a student complied with the policy and not the manner of compliance: if a counselor waives a student due to undocumented status, no other school officials will be told.

In Texas and Illinois, state financial aid is available to undocumented students through a state application that is not sent to the federal government.²⁹ (Unlike the Pell Grant, these grant awards may contain merit components such as GPA or standardized test thresholds, and they may be limited in number.³⁰) For undocumented students who want to apply for financial aid, the alternative form can improve their ability to pay for college and may help reduce the exclusion of these students from school-wide college access and advising efforts. Most states, including Louisiana, do not provide this pathway.

Measuring Impact

Studies in behavioral economics show that low-cost government interventions can, by changing an opt-in default into an opt-out default, alter key behaviors.³¹ These "default rules," which leverage people's cognitive biases for options presented as the default,³² are often highly effective nudges in fields such as health care and education.³³

Education research has shown that hands-on support with the FAFSA can lead to higher rates of FAFSA completion and college enrollment.³⁴ Meanwhile, studies on student response to financial aid find that an increase of \$1,000 in grants typically raises the likelihood of college enrollment by several percentage points,³⁵ while students leave on the table an average of \$2,297 in federal and institutional grant aid by not completing the FAFSA.³⁶ As expected, then, FAFSA completion is associated with increased college enrollment among low-income students:³⁷ students in the lowest 40 percent economically who complete the FAFSA have a college-going rate 1.65 times above the rate of their peers who do not complete the FAFSA.³⁸ Furthermore, among those who enroll, FAFSA completers see greater persistence into the second year of college.³⁹

Based on this research, we can hypothesize a number of short-term and longer-term impacts that the mandatory FAFSA policy could have. Most immediately, the policy design should increase the rates at which students complete the FAFSA. In the medium-term, states should also then see low-income students enroll in college at higher rates, and, ideally, make strong progress toward a degree. In what follows, data from Louisiana's experience with the requirement will be used; but given the youth of that program, the analyses will be largely predictive in nature.

Increasing FAFSA Completion Rates

There are numerous reasons why the mandatory FAFSA could raise FAFSA completion rates among the students who are subject to it. As this section discusses, both student-level and school-level effects are plausible.

Student-Level Effects

As behavioral research on opt-outs suggests, the expectation to either complete the FAFSA or acquire permission not to may motivate students who would have otherwise been indifferent about completing the form to now do so. However, the FAFSA is notoriously complex,⁴⁰ and Louisiana's opt-out waiver only requires contact information and a signature by a parent or guardian.⁴¹ The student may also opt themselves out if they are at least 18 years old, which many students reach before high school graduation, and the state provides special dispensation from the requirement for students in extenuating circumstances. If we assume that students know that completing the FAFSA is effortful and that they can easily opt out,⁴² then the requirement seems unlikely to change the minds of students not interested in completing the form.

Since the “Mandatory FAFSA” does not mean that literally every student must submit the FAFSA, the major student-level benefit of the policy may be its ability to prompt conversation about postsecondary plans.

Another aspect of this process may provide a counter to the ease of opting out. Although the opt-out form is far easier than the FAFSA to complete, the student must still deliver it to their guidance counselor.⁴³ This creates an opportunity that would not have occurred otherwise for a counselor to ask, “You don't want to submit the FAFSA? Have you thought about your plans after graduation?” Furthermore, students may think more seriously about college and how to pay for it when they sit down to complete the opt-out form, or are provided class time and support to complete the FAFSA. Therefore, since the “Mandatory FAFSA” does not mean that literally every student must submit the FAFSA, the major student-level benefit of the policy may be its ability to prompt conversation about postsecondary plans.⁴⁴ As one college access expert stated plainly, “Prompting *any* discussion is a big deal.”⁴⁵ (Of course, the success of this opportunity that the policy creates depends on counselors to launch conversations and on students to think about how they would pay for college, a discomfiting question for many.)

Another student-level benefit is that the policy sets a clear timeline for FAFSA completion. The requirement communicates that—at the latest—the FAFSA should be submitted by high school graduation, which is not too late to obtain the Pell Grant and enroll at an open-access institution, such as a community college, for the fall semester.⁴⁶ However, earlier is still better, as many state and institutional aid deadlines are in early spring.

School-Level Effects

The policy could also change school-level behavior in beneficial ways. Research has demonstrated that peers' college-going behavior is a major factor in a student's own college-going behavior.⁴⁷ Combined with the institutional expectation that students submit the FAFSA, the perception that peers are completing the FAFSA may lead more students to complete the FAFSA. To put it another way, submitting the FAFSA can thus become a social activity in which students want to participate.

Moreover, the expectation that every twelfth grader submit the FAFSA demands that high schools increasingly prioritize support for FAFSA completion. It's important that states' policies not only mandate such supports, but that they are thorough in outlining their implementation. Under Illinois's policy, for example, schools must provide "any support or assistance necessary" for students to comply with the requirement. This is an excellent start: since the research has shown the importance of hands-on assistance with the FAFSA,⁴⁸ this pressure placed on counseling offices may be more important for student outcomes than the pressure placed on students.⁴⁹ What this means in detail is not yet known, as the state continues to plan implementation. It is also unclear whether this express mandate for FAFSA assistance could come at the expense of counseling offices' capacities to handle other student needs.

Increasing College Enrollment Rates

As described above, increasing the financial aid offered to students can be expected to increase college enrollment rates to some degree. In addition, the process of submitting the FAFSA—even before the student learns whether they are eligible for federal student aid—may also promote college-going, since it is a clear opportunity for students to ask school staff questions about college more broadly. Financial aid administrators in Louisiana report that they are intentional in discussing other aspects of the college enrollment process during FAFSA completion workshops, including how different universities align with students' interests and the amounts of loans that students would have to borrow to attend certain institutions.⁵⁰ Even more pointedly, these administrators acknowledged that it would be a "disservice" to walk students through the FAFSA without also discussing how to apply to colleges and how colleges match with different students' interests and needs.⁵¹ Thus the FAFSA completion requirement may change college-going behavior even among students who don't end up receiving federal financial support.

Potential Shortfalls

Submission versus Completion and Verification

Key features of the mandatory FAFSA policies enacted thus far, as well as of the FAFSA process itself, may undermine a mandatory FAFSA's effectiveness. Where the mandatory FAFSA has been enacted, students satisfy the requirement when they *submit* the FAFSA.⁵² However, students become eligible for financial aid only when it is certified as *complete* by the U.S. Department of Education. In the past two FAFSA cycles, about 5.9 percent of FAFSAs submitted by twelfth graders were never completed.⁵³

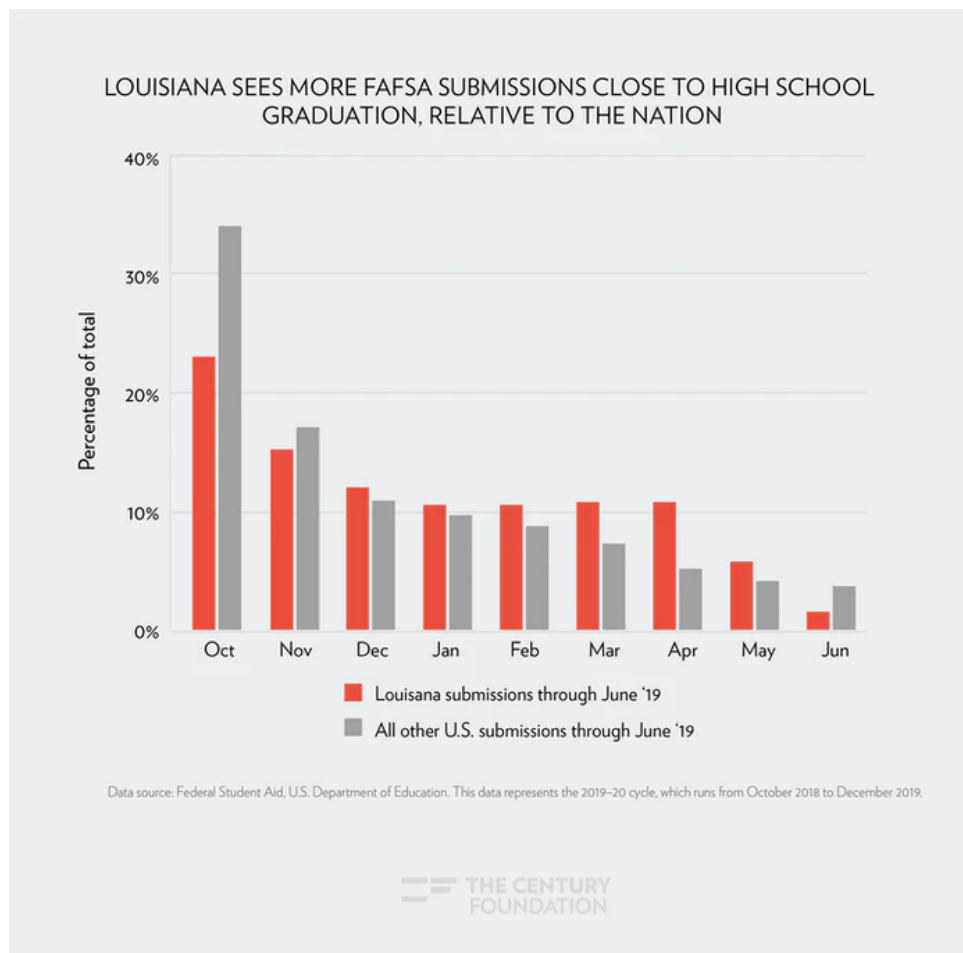
College access experts say that submitted FAFSAs are most often incomplete because of a lack of signatures.⁵⁴ Financially dependent students can submit the FAFSA on their own, but they need a parent or guardian to sign the form before it is considered complete. To sign the form online, parents must set up their own FSA ID,⁵⁵ which requires a social security number and an email address or phone number, and setup can only be done online. Technology access issues, lack of an email address, SSN difficulties such as an unreported name change, or lack of cooperation from the parent can derail this process. In addition, those without a SSN—undocumented parents, for example—must mail in their signed signature form, as uploading a scanned copy of it is not an option. Many low-income people may find technology access to be a particular barrier.⁵⁶

Furthermore, a process called “FAFSA verification” stands between many students and federal financial aid eligibility. In this process, students must provide official documentation to confirm that the information they entered on their FAFSA is correct. Myriad documents may be requested, including IRS tax transcripts, letters from the IRS confirming that the student's family did not file taxes, documents confirming siblings' college enrollment, birth certificates, death certificates, and more.⁵⁷ Some of these documents may take weeks or months to acquire, or may be impossible for a given student to acquire at all, due to a variety of extenuating circumstances; but federal financial aid will be withheld until the documents are provided, even into the start of the school year, when expenses such as tuition and textbooks must be paid for.

FAFSA verification measurably reduces the number of aid-eligible students who receive federal aid. One study⁵⁸ found that, of Pell-eligible applicants selected for FAFSA verification, 63 percent received the Pell Grant, compared to 68 percent of Pell-eligible applicants not selected for FAFSA verification.⁵⁹

Because a student may satisfy the graduation requirement without necessarily obtaining federal financial aid, mandatory FAFSA policies rely on extra action that is not baked into their (current) design in order for their goal to be met. After submitting the FAFSA, students must take initiative to ensure that completion and verification are satisfied. It is unclear if sufficient guidance is given to students about how to perform these follow-up steps. Furthermore, timing is important: if a student submits their FAFSA too close to the end of the school year, then the completion and verification steps may take place while counselors are either on summer break or have limited hours with limited capacity to help students.⁶⁰ The chart below shows that Louisiana students tend to submit their FAFSAs in March, April, and May more often than students nationwide.^{61,62}

FIGURE 2



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This indicates that Louisiana sees a greater occurrence of students submitting the FAFSA close to high school graduation, leaving little room for school staff to ensure that the completion and verification stages—which may take weeks or months—are completed. A further consequence is that, as experts at the Brookings Institute have noted, FAFSAs completed later are less likely to earn students grants that are delivered on a first-come first-served basis, such as some state grants.⁶³

The “Unfunded Mandate” Problem

This report has argued that the pressure placed on schools to assist students with the FAFSA may be one of the major forces driving potential increases in FAFSA completion. But when schools with high student–counselor ratios are not given new resources to assist students, counselors may be unable to provide this guidance, and students may be directed by overwhelmed staff towards opt-out waivers if they and their family struggle to complete the FAFSA on their own. Given that low-income students tend to be concentrated in less-resourced schools,⁶⁴ it's likely that the pressure or requirement to assist students will fall on understaffed and overwhelmed guidance counselor departments; this could exacerbate existing disparities in FAFSA completion between high-income and low-income schools.⁶⁵ As a corollary, it could also mean that the policy least benefits those who stand the most to gain from FAFSA completion. For these reasons, the additional investment that states deliver alongside the policy is a central question to the success of any mandatory FAFSA policy proposal.

Additional Limitations

It is important to remember what the mandatory FAFSA policy *doesn't* do. It does not make federal financial aid or college enrollment more accessible for adult students returning to school after being in the workforce. Nor does it improve state funding for higher education institutions or state financial aid. For these reasons alone, the mandatory FAFSA should not be viewed as a comprehensive remedy for college access issues, and it should not distract or detract from other important conversations.

Additionally, it should be remembered that different students experience the FAFSA differently. As discussed above, low-income students must jump through more hurdles to obtain federal aid eligibility,⁶⁶ and unlike other students, students from undocumented families may perceive FAFSA filing as a threat to their security or that of their family members. Mandatory FAFSA policy design and implementation must prioritize those who will bear the greatest burden via the policy, with implementation flexibility and increased resources at the district and school level. These are the students that such a policy is most meant to serve, and so their needs must be prioritized.

Early Evidence from Louisiana: Efficacy

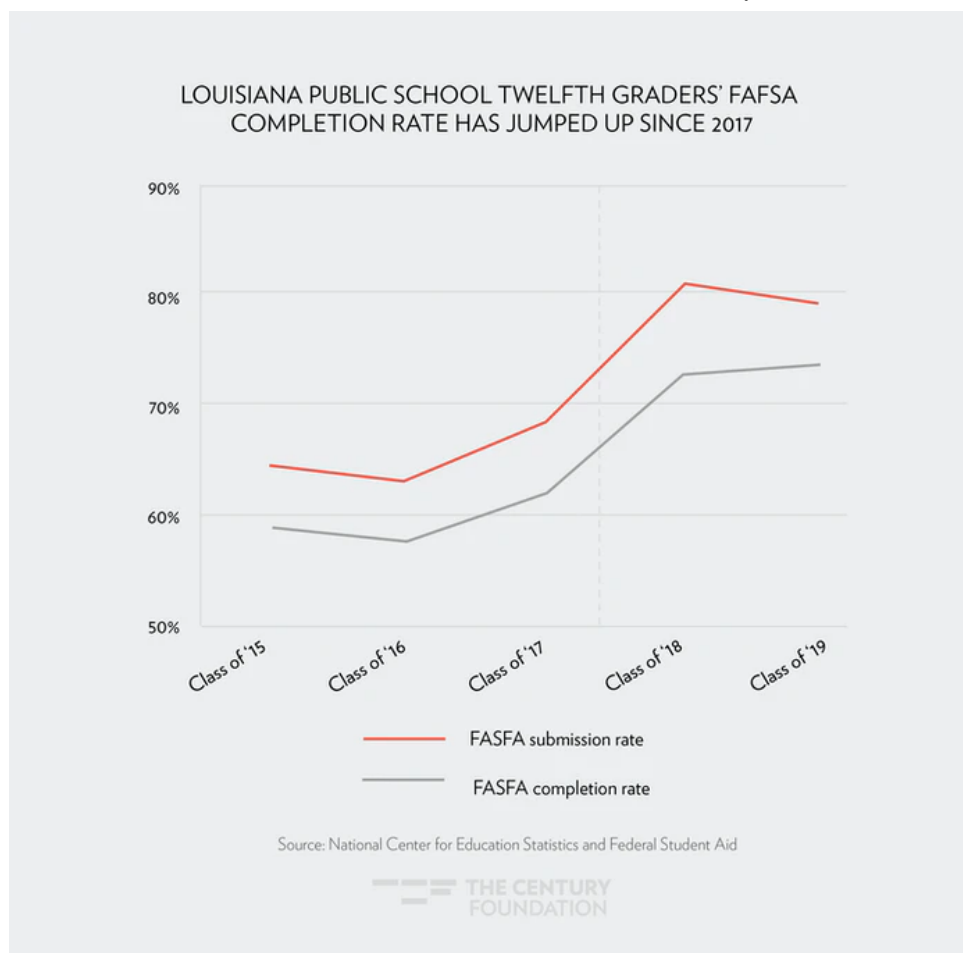
As the only state in which the mandatory FAFSA has been fully implemented to date, Louisiana provides the best case study of the mandatory FAFSA. Analysis of FAFSA completion rates in Louisiana are provided below. In this analysis, only public schools have been included, since the state's requirement does not apply to private school students. See Appendix 1 for the full methodology.

As described previously, FAFSA submission satisfies the graduation requirement, but FAFSA completion is needed for federal financial aid eligibility.⁶⁷ Therefore, the focus in this analysis is primarily on FAFSA completion rates, but submission rates are included where relevant.

FAFSA Completion Rates

The mandatory FAFSA policy first took effect in Louisiana for the class of 2018. The chart below shows how submission and completion rates differ before and after the enactment of the policy.

FIGURE 3



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The statewide FAFSA completion rate rose 10.7 percentage points in the first year of the program, a remarkable increase⁶⁸; this represents a 24.7 percent increase in total FAFSA completions.⁶⁹ Whereas 1 in 3 Louisiana public high schools⁷⁰ had a FAFSA completion rate of at least 65 percent in 2016–17, 4 in 5 did in 2017–18.

In the first FAFSA cycles under Louisiana's policy, 10.0 percent of the state's submitted FAFSAs were never completed, compared to 7.2 percent in the rest of the nation. The following year saw lower rates of submitted-but-incomplete FAFSAs: 7.1 percent in Louisiana and 4.6 percent in the rest of the nation.

Financial Aid and College Enrollment

From spring 2017 to spring 2018, the size of the graduating class increased, but the number of in-state Pell Grants fell, and the college enrollment rate of high school graduates did not keep up with the previous year's. But the following year, even with a lower number of high school graduates, the state saw a remarkable 6.1 increase in in-state Pell Grants. Data on college enrollments by the class of 2019 is not yet available.

TABLE 1

Louisiana's Pell Grants Down Slightly After One Year of Mandatory FAFSA, Then Up Strongly

<i>Louisiana</i>	<i>2017 to 2018</i>	<i>2018 to 2019</i>
Change in high school graduates ⁷¹	+4.3%	-2.6%
Change in in-state Pell Grants (fall semester) ⁷²	-1.3%	+6.1%
Change in immediate college enrollment rate of high school graduates ⁷³	-0.3 percentage points ⁷⁴	TBD ⁷⁵

Data sources: Federal Student Aid Data Center, National Center for Education Statistics, and Louisiana Department of Education.

Early Evidence from Louisiana: Equity

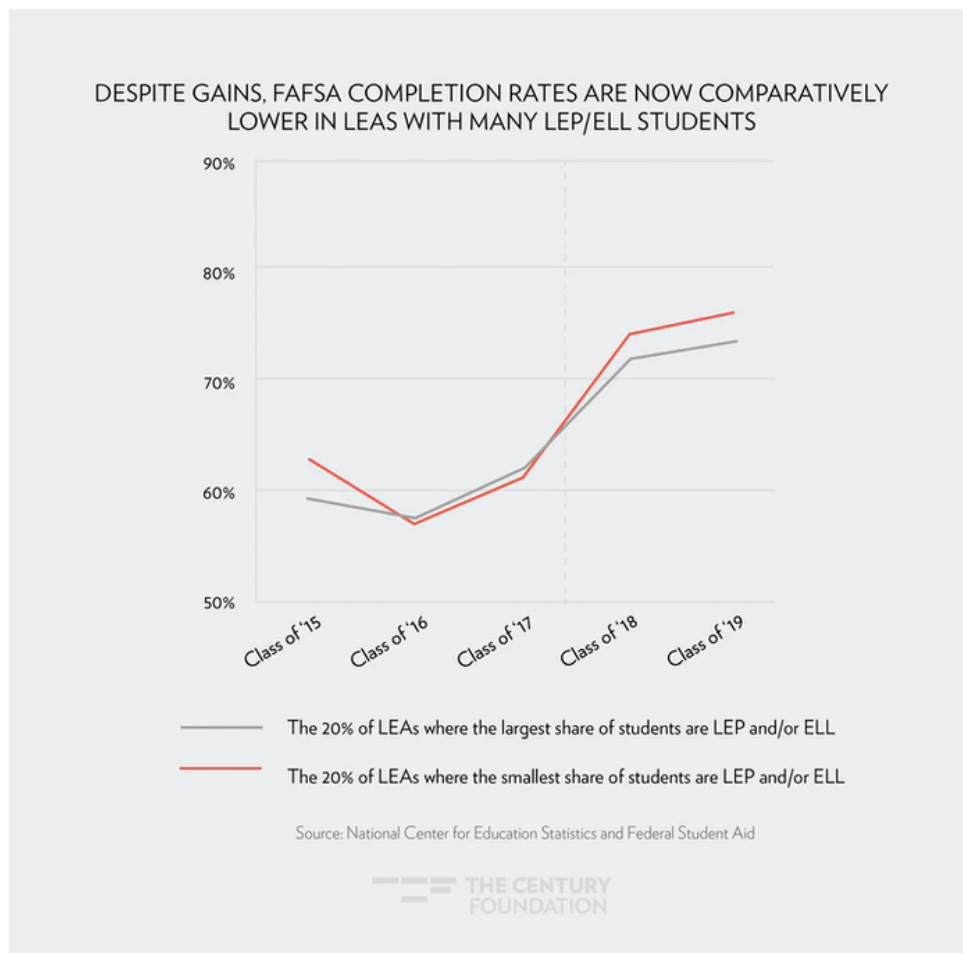
In Louisiana, increases in the FAFSA completion rate since the implementation of the mandatory FAFSA were not distributed equally across school districts. While some districts saw increases of 25 percentage points or more, others saw no increase. It is important to examine how certain factors, such as low-income student enrollment, are associated with different changes to FAFSA completion rates, in order to understand how mandatory FAFSA policies can be designed to maximize equity in impact. The data suggest that an equity gap in FAFSA completion emerged for students with limited English proficiency, but equity gaps largely closed for students of color and low-income students.

For each population, the analysis below identifies the top 20 percent and bottom 20 percent of local education agencies (LEAs)⁷⁶ according to the population's share of LEA enrollment. Then, for both groupings, total FAFSA completions are divided by total twelfth grade enrollment.

Limited English Proficiency (LEP) and English Language Learner (ELL) students

The percentage of LEP and ELL students in an LEA was not a factor in FAFSA completion rates in the two years before the policy took effect. In the two years since, a 2.5 percentage point gap has emerged between LEAs with high LEP/ELL enrollment and those with low LEP/ELL enrollment. This gap is not unprecedented, as a similar gap was seen for the class of 2015.

FIGURE 4



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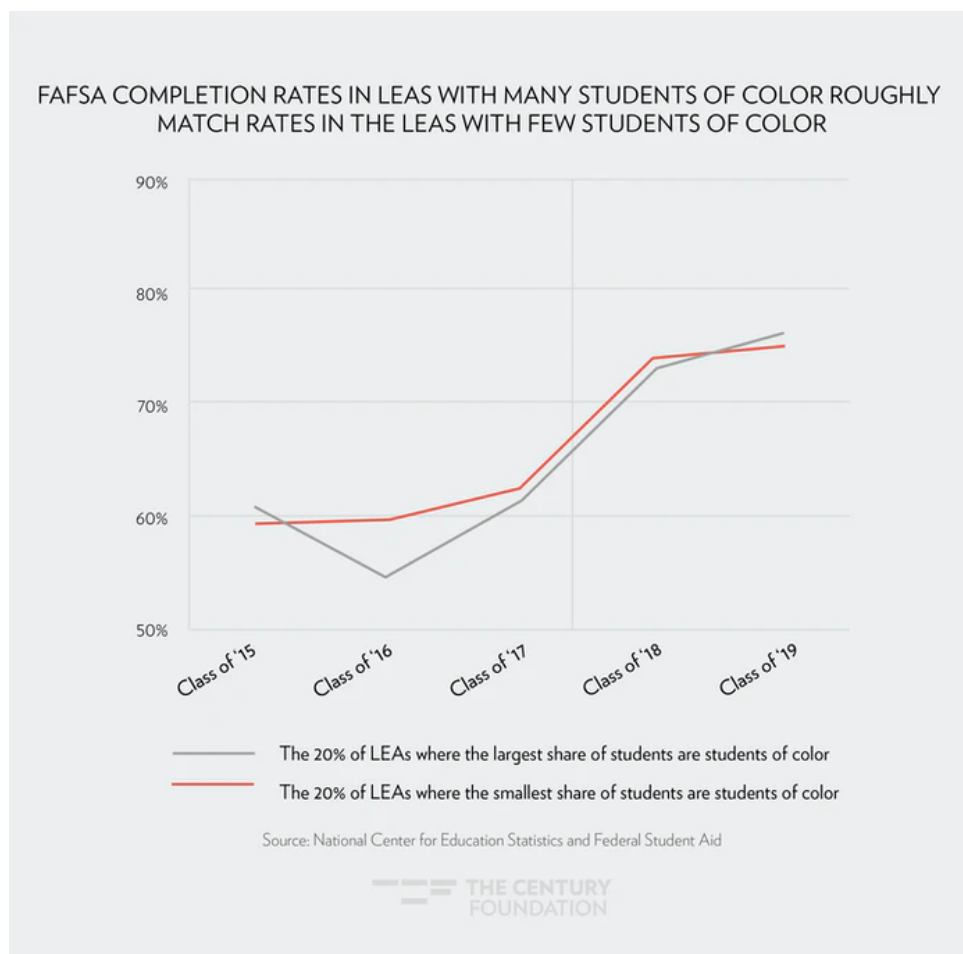
While the majority of ELLs in U.S. schools are second- or third-generation immigrants, a significant number grow up in families that include adults engaged in various ways with the American immigration system.⁷⁷ Immigrant communities in the United States face a range of uncertainties and pressures in regards to registration procedures for public benefits;⁷⁸ in some cases, this may make them reluctant to submit personal information to the federal government through the FAFSA.⁷⁹

Language barriers may also play a role. Although the FAFSA may be completed in Spanish, 21 percent of ELLs in Louisiana have a home language other than Spanish, most commonly Vietnamese or Arabic.⁸⁰ The complexity of the process, including retrieving documents from the IRS and troubleshooting questions, may pose challenges for families with limited English proficiency. School counselors may also have difficulty communicating with ELL students and their families to share critical information.

Students of Color

The LEAs with the most students of color⁸¹ had shown only a small gap in FAFSA completion in the year before the mandatory FAFSA policy went into effect. This gap remains small after the policy's initiation, and in the 2018–19 school year, the most diverse LEAs slightly outperformed the least diverse LEAs in FAFSA completion. Appendix 2 provides FAFSA completion charts disaggregated by race/ethnicity.

FIGURE 5



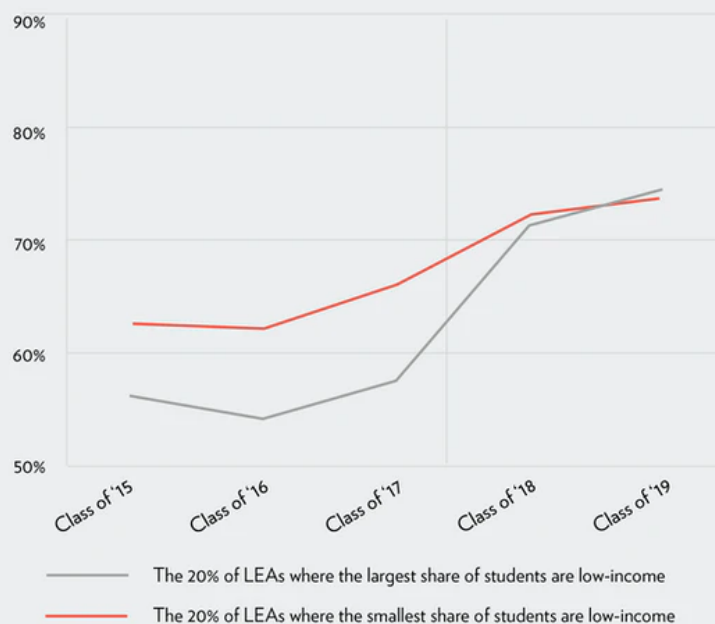
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Low-Income Students

Research shows that LEAs with many low-income students tend to complete the FAFSA at lower rates than LEAs with higher-income students.⁸² However, the results from Louisiana show that, under the mandatory FAFSA, LEAs with many low-income students now match FAFSA completion rates in LEAs with few low-income students. Using FRPL eligibility as a proxy for low-income status,⁸³ we see that the gap was between 6.3 and 8.5 percentage points in the years leading to the mandatory FAFSA policy, and the gap has been below 1.2 percentage points in the two years since.

FIGURE 6

LEAS WITH MANY LOW-INCOME STUDENTS SEE THE STRONGEST GAINS IN FAFSA COMPLETION



Source: National Center for Education Statistics and Federal Student Aid

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Submission–Completion Gaps

A student is not eligible for federal financial aid if they submit but do not complete their FAFSA. The mandatory FAFSA policies enacted thus far—including the two that haven’t been implemented, Illinois and Texas—require submission, not completion, so it is important to understand who falls into the “submitted-but-incomplete” category.

Overall, about 5.6 percent of seniors in Louisiana submitted a FAFSA in 2018–19 but did not complete it. However, in LEAs with the highest percentages of low-income students, this gap was 8.8 percent; in LEAs with the highest percentages of students of color, this gap was 9.3 percent.⁸⁴ These gaps are not meaningfully greater than those observed before the mandatory FAFSA, so the policy does not appear responsible. But these disproportionate rates of submitted-but-incomplete FAFSAs underscore the importance of support for students who have put in an effort towards federal financial aid eligibility but are not yet eligible.

Early Evidence from Val Verde Unified School District

Like Louisiana, another jurisdiction—Val Verde Unified School District, near Riverside, California—has implemented the mandatory FAFSA policy since 2017–18. By headcount, the district’s high school student body is 73 percent Hispanic and 16 percent black, and 84 percent participate in FRPL. Its policy is similar to Louisiana’s, where submission satisfies a student’s graduation requirement, and students may opt out in a similar fashion. Students who are not U.S. citizens may satisfy the requirement by completing an application for state financial aid.⁸⁵

Only eleven twelfth graders in the class of 2018 and ten in the class of 2019 opted out of the requirement, or less than 1 percent of seniors. The district’s rate of graduates immediately enrolling in college fell from 61 percent to 58 percent in the first year of the policy, but it rose to a high of 64 percent the following year.

Importantly, the district’s mandatory FAFSA policy is only one component of a high-touch approach to FAFSA completion and college counseling. For example, district administrators spend one night per year calling the household of every twelfth grader who has not submitted a FAFSA. The district also provides a rigorous counselor professional development program that, since its development five years ago, has been recognized as a model for other districts in California.

The district has also used local partnerships to fuel its FAFSA completion. The district partners with a local legal center for undocumented families to assist with getting the word out on the importance of completing state financial aid forms. In addition, the local community college is an active partner in FAFSA completion efforts, and students are encouraged to apply for admission there while applying for aid.

Given this array of strategies, it is difficult to isolate the role of Val Verde’s mandatory FAFSA policy in its outcomes. As a telling example, the district’s seniors saw a year-over-year increase of 198 Cal Grants (California’s primary grant award) in the first year of the mandatory FAFSA, but it saw an even larger year-over-year gain of 328 Cal Grants in the year prior to the mandatory FAFSA.

In summary, Val Verde has performed strongly under the mandatory FAFSA even without state coordination. However, it employs other hands-on strategies to promote FAFSA completion, making the influence of the mandatory FAFSA policy especially difficult to discern.

Summary of Evidence

The analysis of performance in Louisiana above reveals some significant trends in how the policy’s implementation has fared. While recognizing that these trends do not necessarily reflect causation, they do offer reasons to be both optimistic and pessimistic about the mandatory FAFSA.

Encouragingly, FAFSA submission rates and completion rates rose greatly after the policy was enacted. Last year, the state saw a 6.1 percent increase in Pell Grants. Gaps in FAFSA completion separating LEAs with the least low-income students from LEAs with the most low-income students largely closed, and the most racially and ethnically diverse LEAs continue to match

the least diverse LEAs in FAFSA completion. Although the submission–completion gap grew in the policy’s first year, it then returned to pre-policy levels the following year.

Less encouragingly, slightly weaker gains in FAFSA completion were seen in the LEAs with the most English Language Learners than were seen in the LEAs with the least ELL students. There also remain disproportionate counts of submitted-yet-incomplete FAFSAs in the LEAs with the most students of color and low-income students. And Louisiana students often submit their FAFSA close to high school graduation, which likely reduces eligibility for other sources of aid and makes it more likely that they must complete verification without the same access to counselors that they would have during the school year.

It may be that jurisdictions enacting mandatory FAFSA policies understandably take some time to learn how best to support students through the new system, and some best practices are still being learned.

Taken as a whole, the available evidence shows that Louisiana’s performance was generally stronger in the second year of the policy compared to the first. FAFSA completion, Pell Grants received, the submission–completion gap, and FAFSA completion gaps by race and income all improved from the first year to the second, with second-year performance along other key measures, such as college enrollment, to be determined. In California’s Val Verde Unified School District at least, college-going among graduates only increased in the second year of its policy. It may be that jurisdictions enacting mandatory FAFSA policies understandably take some time to learn how best to support students through the new system, and some best practices are still being learned. This view of performance as dynamic and changing underscores the importance of patience in the phase-in of a mandatory FAFSA, as well as the value of continued data collection.

Conclusions and Recommendations

Although the movement is nascent, many are calling for state- and national-level mandatory FAFSA policies.⁸⁶ Others caution that it is too soon to recommend mandatory FAFSA policies until more evidence is available to assess its effects.⁸⁷

Indeed, it is too soon to holistically assess whether mandatory FAFSA policies can, in general, achieve their aims of increasing college enrollment, completion, and reducing student debt. It is also important to remember that there exist alternative state interventions to raise FAFSA completion, access to the Pell Grant, and college enrollment. Research already shows that some Promise programs—guarantees of financial aid for eligible students—meet the mandatory FAFSA’s ultimate goal of increasing college enrollment.⁸⁸ More broadly, increasing state support for higher education and fully funding state financial aid will still be necessary, regardless of a mandatory FAFSA policy. These efforts to do not supplant the budget line items critical to ensuring colleges access and quality more broadly.

These considerations aside, the policy appears poised to spread rapidly in the coming years. Two of the nation's most populous states enacted mandatory FAFSA policies last year, and many more are actively considering it, including California, New York, Michigan, and New Jersey. It is urgent, then, that these policies be crafted using the best available evidence, even if early evidence is all that is available. In what follows, I offer what the available evidence suggests as best practices for policy design and implementation.

Questions to Answer before Enacting the Mandatory FAFSA

Lawmakers should consider the following questions when enacting a mandatory FAFSA. They represent the myriad issues that students, families, and schools will encounter in implementation.

- What are districts' student–counselor ratios? Are there enough counselors and administrators to meet increased demand for hands-on assistance? Where are ratios the highest?
- Do high school guidance counselors in the state have the expertise to guide students through all the FAFSA's steps and serve as finance advisors in the college enrollment process? Are they prepared to respond to complex and sensitive family and financial situations, as well as stressful requests for verification? What training will be necessary? How long will it take to develop and roll out this training? Who will provide the training? Who will pay for the training?
- Does the state financial aid office (or the state higher education commission) currently have the capacity to oversee this change? Which offices and departments should be bolstered with new staff?
- What financial and technical resources must the state provide schools and districts to handle the increased demand for assistance with the FAFSA, including steps beyond the graduation requirement, such as FAFSA verification?
- Do schools have the technology capacity (e.g. laptops, computer labs) to handle demand? Which ones don't?
- Are there clear channels by which students will learn about other steps in the college-going process beyond simply completing the FAFSA?
- What is the role of postsecondary institutions in implementing the mandatory FAFSA? Relatedly, how will students learn about the importance of re-filing the
- FAFSA once they've enrolled? Who will help them re-file?
- How will undocumented students and their families' personal information be protected under this policy? How will they know that it is protected?
- How will this policy be communicated to students and their families? How will they know what it is asking of them?

- If demand for state financial aid increases as a result of more applications, will the supply of state grants increase?

After these questions are answered, consider these nine recommendations when crafting a mandatory FAFSA policy and implementation plan.

Recommendation 1: Provide strong state investment and coordination.

It should not be neglected that Louisiana, in addition to enacting the requirement, nearly tripled the number of FAFSA workshops for students that its financial aid office hosts. Similar wraparound support, including professional development for counselors, appears essential and underscores the importance of state coordination. Research shows that one-on-one assistance with the FAFSA improves FAFSA completion and college outcomes, but information alone does not; one-on-one assistance should be the centerpiece of new efforts towards FAFSA completion.⁸⁹ Research also shows that automated reminders delivered by text message could have positive effects.⁹⁰

In addition, states should view the mandatory FAFSA as one piece of a comprehensive college access and affordability initiative and not the only piece. Rather than only focus on immediate college-goers, the state should make the adult population a target of concurrent college access efforts, especially since working-age adults comprise an ever-growing share of college enrollments.⁹¹ The high school graduating class of 2020, which saw a very low rate of FAFSA completion due to the COVID-19 pandemic, should be a focus of such efforts.⁹²

Recommendation 2: Provide clear outreach to families.

Engagement with parents and guardians is critical to the policy's success, and buy-in from parents may be more difficult if they distrust the policy. Since the requirement is (on its face) a punitive measure, states would be wise to follow Illinois's lead and state explicitly in statute that no student in extenuating circumstances who has met all other graduation requirements will be denied a diploma because of the policy.⁹³ The state may also need to establish guidelines or templates for districts' communication with families about the policy, as low-resourced districts may lack the capacity to launch a new, full-fledged information campaign from the ground up.

Since the FAFSA asks parents (particularly non-tax-filers) for significant time and energy, schools should offer parents access to computers and counselor guidance. States should identify schools where this would be a challenge and provide additional support.

Recommendation 3: Support undocumented students and students from mixed-status families.

It is clear that mandatory FAFSA states must allow undocumented students to easily opt out. But they should also provide the necessary support so that these students can afford a college education: undocumented students need to know the options available to them, in terms of college applications and other sources of aid besides the federal government.⁹⁴ It is also important

that counselors understand how to guide students from mixed-status families who are eligible for the Pell Grant but fear disclosing family members' statuses by applying for it. These students also need to feel welcome and safe sharing this personal information with their counselor. This will require professional development that may not currently be facilitated by the state.

Texas's policy appears to provide the most promising real-world model to protect the identities of undocumented students. Any student may be waived from the requirement by their counselor, based on the counselor's discretion. Although it will be worth examining how this is done in practice, it appears well-suited to reduce stress and confusion among undocumented families by allowing the student to simply ask their counselor to waive them. Louisiana schools may appeal to the state superintendent to waive a student for an extenuating circumstance, including undocumented status, but this adds a layer of reporting that raises some concerns about students' confidentiality.

States should also make state financial aid available for undocumented students.⁹⁵ However, since completing the state application instead of the FAFSA could inadvertently disclose immigration status, FAFSA completion workshops should always be optional to attend, and support for applications for state aid should be done behind closed doors with a counselor or other trained professional.

Recommendation 4: Prioritize privacy in the opt-out waiver.

The opt-out waiver does not need to be any more complicated than (1) an explanation of the policy, (2) the student's name, or another identifier such as student ID, and (3) the parent's signature, or the student's signature if they are 18 years old.⁹⁶ No contact information should be needed to facilitate the policy.⁹⁷ The waiver's text also presents an opportunity to deliver key information, such as the date and location of college information sessions, to students who may not yet be considering going to college the next academic year.

Recommendation 5: Support English Language Learner (ELL) students and their families.

States should work to minimize barriers for students and families with limited English proficiency: for example, opt-out forms should be available in any language that is the primary language spoken at home for any of the district's students. The state should also holistically examine the state of college access for students who were ever ELLs and how it can better support these students, even from the earliest grades, in maintaining a college-going trajectory.

Recommendation 6: Create incentives for schools to strive for strong FAFSA completion rates.

Of the three mandatory FAFSA states, Illinois's policy sets the strongest expectations of schools, who must provide students and their families "any support or assistance necessary to comply" with the policy. Illinois's approach may be appealing to families, but it would be difficult for a high school with 1 counselor per 800 students to provide all seniors with "any support or

assistance necessary” to complete the FAFSA. Moreover, what are the consequences when a student does not receive all support or assistance necessary? Clear definitions are critical for an approach to accountability like Illinois’s.

Alternatively, Texas’s approach establishes financial incentives rewarding districts whose graduates enroll in college. A state should determine the additional counselor support needed and provide resources to support schools’ efforts.

Recommendation 7: Integrate colleges in FAFSA completion efforts.

Where possible, local higher education institutions should play an active role in FAFSA completion efforts. A student who completes the FAFSA but has no chance to learn about other aspects of college-going may be ill-prepared to attend college even if they can better afford it. Like Val Verde Unified School District has done, school districts could partner with their local community colleges to host information sessions and encourage students to apply there while completing the FAFSA. At the very least, this gives students a reliable option for postsecondary enrollment, and the learning experience of applying to one college can be applied to others.⁹⁸

Recommendation 8: Enable information-gathering.

This report has presented early evidence on performance under the mandatory FAFSA, but many questions about the policy’s effects remain unanswered. The best way to gather this information would be for a state to phase-in a mandatory FAFSA starting only in a subset of districts. Louisiana’s policy, for example, was piloted in eleven Baton Rouge high schools before being scaled statewide. This would be an appropriate strategy for a state interested in the policy’s potential benefits but reluctant to enact it fully before understanding its effects, and observations from the piloted districts could guide the design of a fully scaled policy. More generally, robust evaluation of how a state’s policy is reaching goals should be embedded in policy design.

There are some pending questions that may only be answered through qualitative research. For example, are any students failing to graduate due to the policy?⁹⁹ Even if schools know that they have never not given out a diploma to those who have neither submitted a FAFSA or opt-out waiver on the morning of graduation, the policy could—in theory—be a factor in someone’s decision to drop out months before graduation.¹⁰⁰ This may only be answerable through survey research and interviews. States would be wise to establish channels to hear directly from students about how they are experiencing the policy.

For states and researchers alike, a list of questions for further inquiry is provided in Appendix 3.

Recommendation 9: Ensure students are supported through completion and verification.

Existing mandatory FAFSA policies require submission of the FAFSA. However, completion—and verification, when the student is asked—are necessary for federal financial aid eligibility. This report has found that, under Louisiana’s mandatory FAFSA policy, lower-income districts saw disproportionate rates of submitted-but-incomplete FAFSAs. Submitted-but-

incomplete FAFSAs are low-hanging fruit, and new resources to lower-income districts could help turn them into completed FAFSAs with relative ease.

It is also worth examining whether early deadlines could help mitigate the number of students who put forth the effort to submit the FAFSA but fail to become eligible. If twelfth graders are told, for example, “Submit the FAFSA by March 1st,” then schools have time to follow up with students who have submitted but have remaining steps.¹⁰¹

High-performing school districts could also consider an experimental tweak to the policy: instead of submitting the FAFSA, students would have to complete the FAFSA to graduate (or opt out). Although no state has done this, such a design could potentially reduce the number of submitted-but-incomplete FAFSAs that, despite the time it takes to submit the form, are ultimately never considered for financial aid eligibility.¹⁰²

A Note on the Mandatory FAFSA and COVID-19

This report was written prior to the outbreak of COVID-19 in the United States, which has prompted school closures nationwide. The conceptual framework presented by this report emphasizes the importance of in-person interactions to FAFSA completion and noted that, under its mandatory FAFSA policy, Louisiana students tend to submit FAFSAs closer to the end of the school year than do students nationwide. These suggest that the sudden loss of in-person support for students from March onwards will likely result in fewer FAFSA submissions and completions in the state, above and beyond the decreases that we can expect to see nationwide. Indeed, Louisiana has seen a 6.6 percent decrease in completed FAFSA this cycle compared to this same time last year, versus a 3.9 percent decrease nationally.¹⁰³ FAFSA verification, which sometimes requires in-person visits to financial aid offices, will also become an increasingly difficult process as campus closures continue through the spring and potentially the summer. As with so much else in education today, FAFSA completion for the students who need assistance the most will be an even steeper uphill battle this year.

We do not revise the recommendations presented above, given the unpredictability surrounding the coming academic year and the lack of available data about the pandemic’s impact on college access. However, it is clear that this spring’s graduating high school class saw a strong dropoff in FAFSA completions: state leaders should consider steps to support FAFSA completion among this year’s high school seniors even past their graduation date, whether the state has a mandatory FAFSA policy or not.

Appendix 1: Methodology of Louisiana District-Level Analysis

Appendix 2: Gaps in Louisiana District-Level FAFSA Completion by Racial/Ethnic Enrollment Composition

Appendix 3: Implications for Future Research

Acknowledgements

The author deeply appreciates the guidance and direction from Jen Mishory, Conor Williams, Jason Renker, Rosario Quiroz Villarreal, and Michelle Burris. He is grateful to Ellie Bruecker, Laura Keane, Christopher Nelligan, Bob Shireman, Jessica Thompson, and Tyler Wu for their thoughtful peer reviews. He thanks Alexis Bauserman, Austin Buchan, Tireka Cobb, Emily Goldman, Claudette Jenks, MorraLee Keller, Mark LeNoir, Manny Rodriguez, Carrie Warick, and Brittani Williams for helpful insight into state and local mandatory FAFSA policies and implementation, the FAFSA process, and advocacy efforts.

Notes

1. Allie Bidwell, "States Step Up With College Affordability, As Federal Policy Moves to Back Burner," Washington, DC: National Association of State Financial Aid Administrators, March 2017, accessible https://www.nasfaa.org/news-item/11649/States_Step_Up_With_College_Affordability_As_Federal_Policy_Moves_to_Back_Burner.
2. Jennifer Ma, Sandy Baum, Matea Pender, and CJ Libassi, "Trends in College Pricing 2019," New York, NY: The College Board, November 2019, <https://research.collegeboard.org/pdf/trends-college-pricing-2019-full-report.pdf>.
3. Sophia Laderman, "State Higher Education Finance: Fiscal Year 2018," Boulder, CO: The State Higher Education Executive Officers Association, 2019, <https://sheeo.org/project/state-higher-education-finance/>.
4. Drew DeSilver, "For most U.S. workers, real wages have barely budged in decades," Washington, DC: Pew Research Center, August 2018, <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>.
5. The federal government's share of total student aid is 61 percent. See Sandy Baum, Jennifer Ma, Matea Pender, & CJ Libassi, "Trends in Student Aid 2019," New York, NY: The College Board, November 2019.
6. "May" is a key word here. Pell Grant offers are delivered via a student's Student Aid Report (SAR), a document with terms such as "expected family contribution" that may perplex an 18-year-old reading it for the first time.
7. See the section "Enrollment Impacts of Other Financial Aid Programs" in Amy Li and Jen Mishory, "Financing Institutions in the Free College Debate," New York, NY: The Century Foundation, December 2018, <https://tcf.org/content/report/financing-institutions-free-college-debate/>.
8. "Fix FAFSA," the National College Access Network, accessed January 31, 2020, <https://collegeaccess.org/page/fixfafsa>.
9. For a description of a FAFSA that would consist of only four questions, see Lamar Alexander and Michael Bennet, "An Answer on a Postcard," *New York Times*, June 18, 2014, <https://www.nytimes.com/2014/06/19/opinion/simplifying-fafsa-will-get-more-kids-into-college.html>. One recent move to partially simplify the FAFSA, the FUTURE Act (enacted in 2019), removed twenty-two questions from the FAFSA and improved automatic entry of data from the Internal Revenue Service into the form.
10. The term "mandatory FAFSA" is the most commonly used to describe the policy (for example, the two articles cited below use this term). However, it is not yet clear that it has become the consensus term, and it may be debatable whether this is the best term. The word "mandatory" may convey an inflexibility that is belied by the ease of opting out. "Opt-Out FAFSA" may be more accurate, but for simplicity, this report uses "mandatory FAFSA." According to policy experts familiar with state-level legislation, some have expressed concern that "Universal FAFSA" or "FAFSA for All" may make those who are ineligible for federal financial aid feel excluded. Andrew Kreighbaum, "Making the FAFSA Mandatory," *Inside Higher Ed*, July 2019, <https://www.insidehighered.com/news/2019/07/10/texas-becomes-second-state-require-fafsa-completion>. Bill DeBaun, "Louisiana Class With Mandated FAFSA Graduates, Enrolls in Record Numbers," Washington, DC: National College Access Network, May 2019, <https://www.ncan.org/news/news.asp?id=456006>.
11. Students may also satisfy the requirement by submitting a separate form to apply for state financial aid. However, unless the student is not a U.S. citizen, completing the FAFSA is required to apply for state financial aid.

12. These thirteen states are California, Connecticut, Indiana, Florida, Hawaii, Kentucky, Nebraska, Maryland, Michigan, Missouri, New Jersey, New York, and Oklahoma.

13. California: AB 1617 of 2019-20, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1617.

Connecticut: SB 734 of 2019, https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2019&bill_num=734.

Florida: SB 1550 of 2020, <http://www.flsenate.gov/Session/Bill/2020/1550>.

Hawaii: HB 2088 of 2019-20, <https://www.capitol.hawaii.gov/search/isysquery/31b0add1-77f5-4d62-815a-1ec055fee49f/3/doc/#hit1>.

Indiana: HB 1428 of 2020, <http://iga.in.gov/legislative/2020/bills/house/1428>.

Kentucky: HB 87 of 2019-20, <https://apps.legislature.ky.gov/record/20RS/HB87.html#actions>.

Maryland: SB 762 of 2019-20, <http://mgaleg.maryland.gov/mgaweb/Legislation/Details/sb0762?ys=2020RS>.

Michigan: HB 4614 of 2019-20, [https://www.legislature.mi.gov/\(S\(sglne1k2g22rupqajw5xqh32\)\)/mileg.aspx?page=getobject&objectname=2019-HB-4614&query=on](https://www.legislature.mi.gov/(S(sglne1k2g22rupqajw5xqh32))/mileg.aspx?page=getobject&objectname=2019-HB-4614&query=on).

Missouri: HB 1349 of 2019-20, <https://house.mo.gov/Bill.aspx?bill=HB1349&year=2020&code=R>.

Nebraska: LB 1089 of the 2019-20, <https://www.nebraskalegislature.gov/FloorDocs/106/PDF/Intro/LB1089.pdf>.

New Jersey: SB 68 of 2020-21, <https://legiscan.com/NJ/bill/S68/2020>.

New York: A 8566 of 2019-20, <https://nyassembly.gov/leg/?bn=a8566>.

Oklahoma: SB 1120 of 2019-20, <http://www.oklegislature.gov/BillInfo.aspx?Bill=SB1120&Session=2000> Note that this bill would create a task force, not a mandatory FAFSA policy.

Washington, D.C.: B23-0200 of 2019-20, <http://lims.dccouncil.us/Legislation/B23-0200>.

14. In Connecticut, California, Washington, D.C., Michigan, and New York, mandatory FAFSA bills were introduced by Democratic lawmakers. In Indiana, Kentucky, New Jersey, Missouri, and Oklahoma, mandatory FAFSA bills were introduced by Republican lawmakers.

15. Anna Helhoski, "How students missed out on \$2.3 billion in free college aid," *NerdWallet*, October 9, 2017, <https://www.nerdwallet.com/blog/loans/student-loans/missed-free-financial-aid/>.

16. The maximum Pell Grant was 28.2 percent of average undergraduate tuition, fees, room, and board at a public four-year institution in 2019–20, down from 38.7 percent in 1999–2000. See Figure 21B in Sandy Baum, Jennifer Ma, Matea Pender, and CJ Libassi, "Trends in Student Aid 2019," The College Board, November 2019, <https://research.collegeboard.org/pdf/trends-student-aid-2019-full-report.pdf>.

17. In response to the pandemic, Louisiana waived its mandatory FAFSA policy for the Class of 2020.

18. Louisiana's policy was enacted by the state board of education, unlike the legislative efforts in other states. For Louisiana's full policy, see Bulletin 741, "Louisiana Handbook for School Administrators," Section 901: Scheduling. Obtained from the Louisiana Board of Elementary and Secondary Education website, <https://bese.louisiana.gov/policy>.

19. Districts can also earn the bonus when a graduate enlists in the military or completes workforce training.

20. Of this performance funding, 55 percent must be spent to promote college, career, or military readiness among students in grades eight through twelve.

21. The Illinois Fiscal Year 2020 budget did increase the Illinois Student Aid Commission's budget for outreach by 250 percent and its budget for state agency operations by 75 percent. These increases could be used to increase pertinent outreach to schools. Absent a future, targeted investment to support the new mandatory FAFSA policy, this approach would resemble Louisiana's, in which the state financial aid agency provides staff support for students and schools but schools do not receive new dollars targeted at policy implementation.

22. Personal correspondence with members of the Louisiana Office of Student Financial Assistance and the Louisiana Department of Education Office of Student Opportunities, November 25, 2019. Similarly, in a California school district that has the mandatory FAFSA policy, an administrator says that there is a district-wide understanding that the policy is “not an obstacle” to graduation. (Personal correspondence with a member of the superintendent’s office at Val Verde Unified School District in California.)
23. HB 2719, Illinois 101st General Assembly, enacted August 2019, <http://ilga.gov/legislation/BillStatus.asp?DocNum=2719&GAID=15&DocTypeID=HB&LegID=118953&SessionID=108&SpecSess=&Session=&GA=101>.
24. According to the Louisiana Department of Education, a total of 4,499 students and family members attended the 151 events in 2017–18 and a total of 6,045 attended the 218 events in 2018–19.
25. For example, sources told the author that this was a major reason that the 2019 mandatory FAFSA bill in California did not gain traction with the necessary legislative committees.
26. As an exception, some students have Social Security Numbers through the Deferred Action for Childhood Arrivals (DACA) program.
27. Most states limit state financial aid to documented residents, and two states prohibit undocumented students from attending public institutions in the state (neither is a mandatory FAFSA state). See “Undocumented Student Tuition: Overview,” Washington, DC: National Council of State Legislatures, September 2019, <https://www.ncsl.org/research/education/undocumented-student-tuition-overview.aspx>.
28. It is unclear if the student would need to tell their counselor that they are undocumented in this case.
- Texas’s policy also requires that parental opt-out forms be made available by the school in any language that is spoken by a majority of students enrolled in the school’s bilingual or ESL programs. Louisiana’s policy does not include this explicit requirement, but the state provides parental opt-out forms in Arabic, Spanish, and Vietnamese. “Financial Aid: Funding My Future,” Baton Rouge, LA: Louisiana Department of Education, n.d., <https://www.louisianabelieves.com/courses/financialaid>.
29. Illinois passed a law (the RISE Act) creating this application in 2019, the same year as it passed the mandatory FAFSA policy. A member of a state advocacy organization says the RISE Act was not passed intentionally to coincide with the mandatory FAFSA (personal correspondence, January 20, 2020).
30. For example, Illinois’s Monetary Award Program (MAP) has been historically underfunded and unable to meet demand.
31. For some examples, see: David Halpern, “Applying Psychology to Public Policy,” Association for Psychological Science, January 2014, <https://www.psychologicalscience.org/observer/applying-psychology-to-public-policy>. Gretchen B. Chapman et al., “Opting In vs Opting Out of Influenza Vaccination,” *Journal of the American Medical Association*, 304 (1), 43–44, 2010, <https://jamanetwork.com/journals/jama/fullarticle/186162>.
- Eric J. Johnson and Daniel Goldstein, “Do Defaults Save Lives?,” *Science Magazine*, 302 (5649), November 2003, <https://science.sciencemag.org/content/302/5649/1338.full>.
- It is worth noting that these “nudge” strategies have been met with some opposition when they are perceived as heavy-handed and burdensome, which is a possibility for the mandatory FAFSA, given its perceived threat of a withheld diploma. See Allen Ehrenhalt, “Why ‘Nudge’ Policies Should Be Used Gently,” *Governing Magazine*, January 2019, <https://www.governing.com/columns/assessments/gov-nudge-behavioral-economics.html>.
32. Steve Martin, “The Default Effect: How to Leverage Bias and Influence Behavior,” *Influence At Work*, accessed March 19, 2020, <https://www.influenceatwork.com/inside-influence-report/how-to-use-and-improve-actions-through-enhanced-defaults/>.
33. Cass R. Sunstein, “Nudging: A Very Short Guide,” *Journal of Consumer Policy*, 37, 2014, https://dash.harvard.edu/bitstream/handle/1/16205305/shortguide9_22.pdf?sequence=4.
34. In the most noted example, FAFSA consultations with tax professionals significantly increased both FAFSA completion and college enrollment. See Eric Bettinger, Bridget Terry Long, Phil Oreopoulos, and Lisa Sanbonmatsu, “The Role of Simplification and Information:

Evidence from the FAFSA Experiment," *Quarterly Journal of Economics* 127 (3), 1205-1242, 2012, <https://academic.oup.com/qje/article-abstract/127/3/1205/1921970?redirectedFrom=fulltext>. In this experiment, mere information about the FAFSA had no effect.

35. There is variation in findings, possibly related to the kind of grant aid delivered. For example, a study on the American Opportunity Tax Credit (AOTC) found that an additional \$1,000 in the AOTC raises the likelihood of college enrollment by three percentage points, and studies on merit aid programs found an increase of roughly four percentage points for every \$1,000 in state merit aid. See Susan M. Dynarski and Judith Scott-Clayton, "Financial Aid Policy: Lessons from Research," Education Policy Initiative, Ann Arbor: The Gerald R. Ford School of Public Policy at the University of Michigan, January 2013, <http://edpolicy.umich.edu/files/wp-dynarski-scott-clayton-financial-aid-policy-2013.pdf>.

36. Michael Kofoed, "To Apply or Not to Apply: FAFSA Completion and Financial Aid Gap," *Research in Higher Education*, 58 (1), 1-39, February 2017, <https://link.springer.com/article/10.1007/s11162-016-9418-y>.

37. There is no clear way to directly measure any causal relationship between FAFSA completion and college enrollment, as this would require one predetermined group of students to complete their FAFSAs and another predetermined group to not do so, sorted randomly rather than by their own volition. As such, the research literature has not shown that completing the FAFSA causes a greater likelihood of enrolling in college. However, the strong correlation between FAFSA completion and college enrollment has been well established, and indirect causal relationships involving the FAFSA have been shown: for example, receiving help completing the FAFSA causes greater likelihood of enrollment in college.

38. Bill DeBaun, "FAFSA Completion by District Poverty Level Across the United States," Public Tableau, December 3, 2019, <https://public.tableau.com/profile/bill.debaun.national.college.access.network#!/vizhome/FAFSACompletionbyDistrictPovertyLevelAcrosstl>

39. Heather Novak and Lyle McKinney, "The Consequences of Leaving Money on the Table: Examining Persistence among Students Who Do Not File a FAFSA", *Journal of Student Financial Aid*, 41 (3), December 2011, <https://ir.library.louisville.edu/cgi/viewcontent.cgi?article=1012&context=jsfa>.

40. For example, see Kim Cook, Kristin Hultquist, Bridget Terry Long and Judith Scott-Clayton, "FAFSA: Ask any college student. The federal student aid application is needlessly complex.," *USA Today*, December 5, 2019, <https://www.usatoday.com/story/opinion/2019/12/05/fafsa-ask-any-college-student-federal-student-aid-application-column/2598151001/>.

41. "Parental nonparticipation form," Baton Rouge, LA: Louisiana Department of Education, accessed January 31, 2020, <https://www.louisianabelieves.com/docs/default-source/course-choice/fafsa-parental-opt-out.pdf?sfvrsn=2>.

42. This assumption may not match reality; it is an important area for potential research in the future. See Appendix 3, which describes how research can test this assumption and others.

43. Of course, if a student can submit the form online or leave it for their counselor in a dropbox, then this point would be moot. But schools might intentionally require the form to be delivered in order to promote these conversations.

44. This would be consistent with the success in improving FAFSA completion of a recent initiative by the Chicago Public Schools called "Learn.Plan.Succeed." that requires tenth and eleventh graders to complete a detailed plan for their careers after high school graduation. Students may plan to join the military, enter the workforce, complete job training (or a trades program or apprenticeship), enroll in a gap year program, or attend college. Students who plan to attend college are then required to submit the FAFSA. For the 2019–20 cycle, the district had an estimated FAFSA completion rate above 80 percent, according to the U.S. Department of Education. This places the school district in the top 7 percent of districts in Illinois.

45. Personal communication with Laura Keane, Chief Policy Officer at uAspire,, February 26, 2020.

46. Ideally, students would be informed about state and institutional grant deadlines—which are often in early spring—and be motivated to apply in time to meet them.

47. See Andrew Sokatch, "Peer Influences on the College-Going Decisions of Low Socioeconomic Status Urban Youth," *Education and Urban Society*, 39 (1), 128-146, November 2006, <https://journals.sagepub.com/doi/10.1177/0013124506291783>.
48. Eric Bettinger, Bridget Terry Long, Phil Oreopoulos, and Lisa Sanbonmatsu, "The Role of Simplification and Information: Evidence from the FAFSA Experiment," *Quarterly Journal of Economics* 127 (3), 1205-1242, 2012, <https://academic.oup.com/qje/article-abstract/127/3/1205/1921970?redirectedFrom=fulltext>.
49. When signing the law, Illinois governor J. B. Pritzker did not frame the law in terms of what students must do, but rather in terms of what support they must receive: "This law will help give students the freedom to choose the pathway that's best for them – not the path they're forced down because nobody gave them the information to explore their options." Adeshina Emmanuel, "New Illinois law aims to increase high schoolers seeking federal aid for post-grad plans," Chalkbeat.com, August 2019, <https://chalkbeat.org/posts/chicago/2019/08/06/fafsa-grad-requirement/>.
50. Via personal communication, January 14, 2020.
51. In addition, research shows that greater financial aid makes students more likely to persist. See Eric Bettinger, "How Financial Aid Affects Persistence", in ed. Caroline Hoxby, *College Choices: The Economics of Where to Go, When to Go, and How to Pay For It* (Chicago, IL: University of Chicago Press, 2004), <https://www.nber.org/chapters/c10101.pdf>.
52. Confirmed by officials in Louisiana and Val Verde Unified School District via personal correspondence. Education leaders in Texas and Illinois report that this detail is a component of implementation planning.
53. 5.9 percent is the percentage of FAFSAs submitted by twelfth graders (19 years old or less) that were not completed nationwide in the 2018–19, and 2019–20 cycles.
54. Personal communication with staff members at the National College Access Network, January 2020.
55. FSA refers to Federal Student Aid, the office within the U.S. Department of Education that oversees the FAFSA.
56. Monica Anderson & Madhumitha Kumar, "Digital divide persists even as lower-income Americans make gains in tech adoption," Washington, DC: Pew Research Center, May 7, 2019, <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>.
57. It is worth mentioning here that, in recent years, the federal government has made IRS data available for importing into the FAFSA for a large number of tax-filers. The recently passed FUTURE Act will expand this tool to all those who filed taxes or whose family filed taxes, and it makes IRS data sufficient for verification, meaning verification should no longer be requested for income documents. However, the timeline for implementation is unknown. For more details, see Michele Streeter, Rachel Gentry, and Raymond AlQaisi, "How the FUTURE Act Improves the Federal Financial Aid System," Washington, DC: The Institute for College Access and Success, December 2019, <https://ticas.org/affordability-2/how-the-future-act-improves-the-federal-financial-aid-system/>.
58. Debbie Cochrane, "After the FAFSA: How Red Tape Can Prevent Eligible Students from Receiving Financial Aid," The Institute for College Access and Success, July 2010, <https://eric.ed.gov/?id=ED515393>.
59. Students losing their Pell eligibility does not explain this difference. Only 2 percent of students selected for verification who completed verification lost their Pell eligibility as a result.
60. Although colleges often assist students with verification, their capacity to do so varies.
61. Another way to consider this: of students who submit their FAFSA during the school year (i.e. through June), the median student in Louisiana submits hers in January, while the median student in the rest of the nation submits hers in November.
62. Submissions in July 2019 through December 2019 are ignored to focus on the students' twelfth grade academic year. Source: U.S. Department of Education archived monthly FAFSA reports.
63. Margaux L. Cameron and T. Austin Lacy, "Many states require FAFSA filing before high school graduation, but timing can be everything," Washington, DC: The Brookings Institution, June 4, 2020, <https://www.brookings.edu/blog/brown-center->

chalkboard/2020/06/04/many-states-require-fafsa-filing-before-high-school-graduation-but-timing-can-be-everything/.

64. Bruce D. Baker, Mark Weber, Ajay Srikanth, Robert Kim, and Michael Atzbi, "The Real Shame of the Nation: The Causes and Consequences of Interstate Inequity in Public School Investments," New Brunswick, NJ: Rutgers University Graduate School of Education, April 2, 2018, <http://phennd.org/update/the-real-shame-of-the-nation-the-causes-and-consequences-of-interstate-inequity-in-public-school-investments/>. See also Ivy Morgan and Ary Amerikaner, "Funding Gaps 2018: An Analysis of School Funding Equity Across the U.S. and Within Each State," Washington, DC: The Education Trust, February 2018, <https://s3-us-east-2.amazonaws.com/edtrustmain/wp-content/uploads/2014/09/20180601/Funding-Gaps-2018-Report-UPDATED.pdf>.

65. An analysis in 2017 found that, in 26 of the 34 states with sufficient data for comparison, school districts at the tenth percentile for poverty outperformed school districts at the ninetieth percentile for poverty in FAFSA completion, by as much as 18.9 percentage points. See Table 2 in Lindsay Page, Danielle J. Lowry, and Aizat Nurshatayeva, "An examination of the relationship between school district FAFSA completion rates and district poverty needs," National College Access Network, April 2017, https://cdn.ymaws.com/www.ncan.org/resource/resmgr/publications/districtpoverty_fafsa2017.pdf.

66. See Susan M. Dynarski and Judith E. Scott-Clayton, "The Cost Of Complexity In Federal Student Aid: Lessons From Optimal Tax Theory And Behavioral Economics," *National Tax Journal*, 59 (2), 319-356, June 2006.

67. As previously detailed, some students must also verify their information, but data on verifications is not available at the local or state level.

68. For comparison, the rest of the nation did not see an increase over this period. To compare states, we divide total FAFSA completions in a state by its total twelfth grade enrollment in the Common Core of Data. This finds that, between the class of 2016 and the class of 2018, the other forty-nine states' FAFSA completion rate increased from 58.0 percent to 62.1 percent: still a gain, but not as strong as Louisiana's. Because separating private schools takes school-level data merging and cleaning, the analysis in this footnote includes private schools, which the analysis in the body of this report does not.

69. From 26,268 to 32,625.

70. Minimum fifty twelfth graders.

71. Data from FSA Data Center (U.S. Department of Education), n.d., and Western Interstate Higher Education Compact, 2016. For reference, the rest of the nation saw a 2.1 percent increase in high school graduates but a 4.6 percent decrease in in-state fall-semester Pell Grants from 2017 to 2019. The rest of the nation saw a +0.6 percent increase in first-time undergraduate students from 2017 to 2018. This analysis is limited to Title IV-participating institutions.

72. Ibid.

73. "Number of Louisiana graduates enrolling in college climbs to all-time high," Baton Rouge, LA: Louisiana Department of Education, May 2019, <https://www.louisianabelieves.com/newsroom/news-releases/2019/05/22/number-of-louisiana-graduates-enrolling-in-college-climbs-to-all-time-high>. Note that fall 2018 saw the largest number of recent graduates enrolling in college in recent years, but spring 2018 also saw the largest graduating high school class. These increases over the prior year neutralize each other in the calculation of the enrollment rate.

74. From 57.7 percent to 57.4 percent.

75. Due to differences in data reporting schedules, this data point is not yet available.

76. The term "local education agency" refers generally to a jurisdiction within a state that administers public elementary and/or secondary education. In Louisiana, LEAs can be parish-level school districts, city-level school districts, or individual schools. An individual charter school generally represents its own LEA.

77. See slide 15 here: Randy Capps, "Trends in Immigration and migration of English and dual language learners," Washington, DC: Migration Policy Institute, May 2015,

<http://www.nationalacademies.org/hmd/~media/Files/Activity%20Files/Children/DualLanguageLearners/2015-MAY-28/1Capps%20Randy.pdf#page=15>.

78. See Conor P. Williams, "Chilling effect of immigration rules will blight an American generation", New York, NY: *The Guardian*, January 27, 2019, <https://www.theguardian.com/commentisfree/2019/jan/27/chilling-effect-of-immigration-rules-will-blight-an-american-generation>.

79. It is estimated that 2.6 percent of Louisiana K-12 students have undocumented parents. "U.S. unauthorized immigrant population estimates by state, 2016," Washington, DC: Pew Research Center, 2016, <https://www.pewresearch.org/hispanic/interactives/u-s-unauthorized-immigrants-by-state/>.

80. "Our Nation's English Learners," Washington, DC: U.S. Department of Education, n.d., <https://www2.ed.gov/datastory/el-characteristics/index.html>.

81. In our analysis, this includes students of all racial groups other than white.

82. Lindsay Page, Danielle J. Lowry, and Aizat Nurshatayeva, "An examination of the relationship between school district FAFSA completion rates and district poverty needs," National College Access Network, April 2017, https://cdn.ymaws.com/www.ncan.org/resource/resmgr/publications/districtpoverty_fafsa2017.pdf.

83. Free and reduced-price lunch (FRPL)-eligible student enrollment is considered a proxy for low-income student enrollment. Another proxy is the income of the district's general population. For comparison, Census Bureau data on income by zip code was linked to district-level FAFSA data, and FAFSA completion rates were calculated for the top and bottom quintiles by median family income. The gap between these quintiles averaged 2.1 percentage points before the mandatory FAFSA policy, and it averaged 2.8 percentage points after the policy was enacted. This complicates the finding that the gap by FRPL enrollment is shrinking with the mandatory FAFSA. However, it is worth remembering that the income profile of the general population of a school district does not necessarily mirror the income profile of its students.

84. A telling statistics: in 2018–19, high-FRPL districts had *higher* FAFSA submission rates than low-FRPL districts, but they had slightly *lower* FAFSA completion rates. The same is true of districts with the highest percentages of students of color.

85. The California Dream Act Application.

86. For example, see:

Amanda Kruger Hill, "OPINION: Six lessons from Louisiana about helping students obtain federal aid for college," *The Hechinger Report*, December 16, 2019, <https://hechingerreport.org/opinion-six-lessons-from-louisiana-about-helping-students-obtain-federal-aid-for-college/>. Bob Giannino and Yoon Choi, "OPINION: Let's make the FAFSA required for a high-school diploma, to increase college enrollment — and more counselors wouldn't hurt either," *The Hechinger Report*, November 5, 2019, <https://hechingerreport.org/opinion-make-the-fafsa-required-for-high-school-diploma-to-increase-college-enrollment/>. Mildred Garcia and Ramon S. Torrecilha, "Make Financial Aid Process Mandatory and Help Students Along the Way," *Morning Consult*, September 20, 2019, <https://morningconsult.com/opinions/make-financial-aid-process-mandatory-and-help-students-along-the-way/>.

87. For example, Ellie Bruecker at the University of Wisconsin–Madison shared with the author concerns about the policy's potential impact on undocumented students and families and whether students have the support they need to navigate the process of completing the FAFSA and enrolling in college.

88. For example, see the following summary of research into the college enrollment effects of the Kalamazoo Promise, a promise scholarship that was launched in 2005: Timothy J. Bartik, Brad J. Hershbein, and Marta Lachowska, "The Effects of the Kalamazoo Promise Scholarship on College Enrollment, Persistence, and Completion," W.E. Upjohn Institute Working Paper, December 2017, https://research.upjohn.org/up_workingpapers/229/. It is worth mentioning here, as well, that Tennessee, which features two statewide promise scholarships, has the nation's second-highest FAFSA completion rate. See Bill DeBaun, "#FormYour Future FAFSA Tracker: 19-

- 20 Cycle," Washington, DC: National College Access Network, accessed January 31, 2020, <https://public.tableau.com/profile/bill.debaun.national.college.access.network#!/vizhome/FormYourFutureFAFSATracker-2019-20FAFSACycleThroughAugust232019/CurrentWeekRanking>.
89. Eric Bettinger, Bridget Terry Long, Phil Oreopoulos, and Lisa Sanbonmatsu, "The Role of Simplification and Information: Evidence from the FAFSA Experiment," *Quarterly Journal of Economics* 127 (3), 1205-1242, 2012, <https://academic.oup.com/qje/article-abstract/127/3/1205/1921970?redirectedFrom=fulltext>.
90. Benjamin L. Castleman, Katharine E. Meyer, Zachary Sullivan, William D. Hartog, and Scott Miller, "Nudging Students Beyond the FAFSA: The Impact of University Outreach on Financial Aid Behaviors and Outcomes," *Journal of Student Financial Aid*, 47 (3), 4-27, November 2017, <https://files.eric.ed.gov/fulltext/EJ1160087.pdf>.
91. Leigh Guidry, "Older students are the new normal at college. The reason? The recession and new technology," USA Today, October 2018, <https://www.usatoday.com/story/news/2018/10/03/adult-older-nontraditional-college-students-louisiana/1504180002/>.
92. Bill DeBaun, "Searching for Silver Linings Despite June 30 FAFSA Declines," Washington, DC: The National College Attainment Network, July 10, 2020, <https://www.ncan.org/news/516476/Searching-for-Silver-Linings-Despite-June-30-FAFSA-Declines.htm>.
93. 101st General Assembly of Illinois, H.B. 2719.
94. Many colleges provide undocumented students with institutional aid, but they often require these students to complete a paper FAFSA to assess financial need. This process is likely to benefit greatly from informed guidance from a counselor.
95. For example, see the RISE Act in Illinois, which was passed in 2019.
96. Louisiana's waiver includes an optional space to explain the reason for opting out; this should be kept optional, if it is included at all.
97. Louisiana's parental opt-out form asks for home address, phone number, and email address: "Parental nonparticipation form," Baton Rouge, LA: Louisiana Department of Education, accessed January 31, 2020, <https://www.louisianabelieves.com/docs/default-source/course-choice/fafsa-parental-opt-out.pdf?sfvrsn=2>.
98. The state could also work with higher education institutions to support students through FAFSA refiling. Many students lose their Pell Grants because they fail to refile the FAFSA, and the same high-touch approach to FAFSA completion could be adopted at postsecondary institutions (even if not establishing a mandate per se).
99. Officials in Louisiana state anecdotally that no one has failed to graduate due to the policy. Additionally, Louisiana's graduation rate rose by 3.2 percentage points in the first year of the policy, with gains for black students and economically disadvantaged students. However, this does not indicate causation, as any number of factors may have influenced the graduation rate. See Bill DeBaun, "Louisiana Class With Mandated FAFSA Graduates, Enrolls in Record Numbers," Washington, DC: National College Access Network, May 2019, <https://www.ncan.org/news/news.asp?id=456006>.
100. Were this ever to happen, it would likely represent an extreme case of misinformation, such as an undocumented student who believes that they *must* complete the FAFSA, and thus share family information with the federal government, in order to graduate high school.
101. Earlier submissions also help students obtain first-come-first-served state and institutional financial aid, and some institutions have firm cutoffs that students must meet to receive any institutional aid. Further, students may apply to college sooner once they see their federal financial aid offer.
102. An argument could be fairly made that this would change the nature of the policy: because FAFSA completion depends on a parent's signature, a burden would be placed on parents as well as students. One counterargument, though, is that mandatory FAFSA policies already make an ask of parents, since students under the age of 18 who are not in extenuating circumstances need a parental signature to opt out.

103. Bill DeBaun, “#FormYourFuture FAFSA tracker,” Washington, DC: The National College Attainment Network, accessed July 17, 2020,

<https://public.tableau.com/profile/bill.debaun.national.college.access.network#!/vizhome/FormYourFutureFAFSATracker/MakeComparison>

These figures reflect FAFSA totals as of July 3, 2020.



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