

**BOARD OF HIGHER EDUCATION**  
**REQUEST FOR COMMITTEE AND BOARD ACTION**

**COMMITTEE:** Fiscal Affairs and Administrative Policy    **NO.:** FAAP 09-12  
**COMMITTEE DATE:** January 30, 2009  
**BOARD DATE:** February 5, 2009

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**FAFSA COMPLETION PROVISION**

**MOVED:** In accordance with applicable provisions of Massachusetts General Laws, Chapter 15A, the Board of Higher Education hereby calls upon the University of Massachusetts, the State Colleges and the Community Colleges to include the attached FAFSA Completion Provision on all applications for admission as of June 2009.

Contact: Dr. Clantha McCurdy, Senior Deputy Commissioner for Access and Student Financial Assistance  
Authority: Massachusetts General Laws Chapter 15A

## BACKGROUND

The Department of Higher Education promotes student access to higher education through a number of initiatives that foster financial aid literacy that is foundational to student awareness of the availability of state and federal financial aid programs, including:

- Office of Student Financial Assistance (OSFA) outreach to parents, students, and guidance counselors through financial aid awareness workshops.
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) targeted services for students and parents to help them understand the benefits of education beyond high school, prepare students for college, and navigate the college admissions and financial aid process.
- The multi-media *Think Again* Campaign targeting low-income and first-generation students.
- Statewide initiatives in collaboration with other agencies (such as American Student Assistance, MEFA, and MASFAA) that foster the awareness of, availability and benefits of financial aid for parents and students. One example is *College Goal Sunday*.
- *Think College Early Massachusetts* program services (funded through a contract with TERI College Access Center) that provide on-site assistance for FAFSA Completion, a toll-free number for financial aid information (1-877-EDAID4U), and print and Web-based college access information.

Despite these and other efforts aimed at boosting financial aid awareness, especially among low-income families, a significant proportion of students who may meet eligibility requirements fail to complete the Free Application for Federal Student Aid (FAFSA) and, hence, do not gain access to aid for which they are otherwise entitled. FAFSA completion is a pre-condition to determining eligibility for federal Pell Grants and student loans, as well as for several of the Commonwealth's state-funded aid programs, including tuition waivers, scholarships and the MASSGrant.

According to data provided by Massachusetts public higher education institutions, 45.2% of degree-seeking undergraduate students did not complete a FAFSA in 2006. By segment, the proportions of non-completers were 32.1% at University of Massachusetts campuses, 37.4% at state colleges, and 56.2% at community colleges.

The Advisory Committee on Student Financial Assistance September 2008 report, *Apply to Succeed: Ensuring community college students benefit from need-based financial aid*, underscores national concern about the failure of students, especially community college students, to apply for aid:

Students must apply to succeed. That millions of community college students who appear to be eligible for need-based financial aid are not applying is a cause for concern. When full-time students intending to transfer to a four-year college were asked why they did not apply, many reasons were given, including:

They thought they were not eligible for financial aid (39 percent).  
They had sufficient funds to pay for college expenses (35 percent).  
They found the financial aid application form too complex (6 percent).

Low- and moderate-income students who do not apply for student aid—regardless of the reasons—limit their financing options to a combination of work and loans. To avoid debt, a large share of community college students work an excessive number of hours, which reduces financial aid eligibility, lowers academic performance, and undermines persistence. For example, 28 percent of full-time dependent students with family income below \$10,000 work 30 hours or more per week. The percentage is even higher for their peers who are independent. Perhaps the most important reason for these students to apply is that financial aid might permit working fewer hours and improve persistence to degree completion.

An analysis conducted by the Massachusetts Executive Office of Education (EOE) on various data, including data provided by the DHE, indicates that more than 16,000 students would, if they were to complete the FAFSA, qualify for up to \$59 million in Pell and MASSGrant aid. Thus, increasing the FAFSA completion rate would have a positive impact on institutions by:

- Allowing more students to benefit from financial aid programs that are intended for them.
- Increasing student persistence and retention, especially for community college students, by reducing the amount of time a student is required to work to earn money for college.
- Maximizing degree completion rates (and transfer rates for community college students).
- Increasing the amount of federal (and potentially state) dollars received by the institution.

Requiring students to complete a FAFSA application at the time of completion of the admissions application should help ensure that all students, especially low-income students, are on track to receive the financial aid to which they are entitled. A completion provision will help expedite FAFSA completion and ultimately lower the financial barriers that hamper student success while maximizing state and federal aid revenue to institutions. Should the Board approve the proposed policy, Massachusetts would be the first state in the nation to implement a FAFSA completion provision.

Analysis of current FAFSA completion rates and research on this issue affirm the financial benefits of encouraging more students to complete the FAFSA. When national characteristics of FAFSA non-completers are applied to Massachusetts students, it is found that 25 percent of non-completers who attend full time, 18 percent who attend half time, and 24 percent who attend less than half time, may have been eligible to receive Pell Grants. FAFSA non-completers who attend full time might also have qualified for the Commonwealth's MASSGrant.

Executive Office of Education projections are that a FAFSA Completion Policy that encourages students to complete the Free Application for Federal Student Aid could reduce the number of FAFSA non-completers by 50 percent. Such growth could yield increases in federal Pell Grant receipts on Massachusetts public campuses. Estimates show that \$17 million in federal aid could be received in the Massachusetts public higher education system, including approximately \$3.4 million for students at state university campuses, \$3.4 million for students at state colleges, and \$10.8 million for students at community colleges.

Although the extent to which this \$17 million represents a gain to campuses depends on whether federal funds received replace institutional aid support, eligible students will benefit by meeting a greater percentage of the cost of college through grant aid rather than loans.

The DHE also projects that as the number of FAFSA applications increases among Massachusetts residents and more students become eligible for Pell Grants, demand for the MASSGrant will increase because the two programs share the same eligibility formula (Expected Family Contribution). Absent an additional funding commitment for MASSGrant on the part of the Commonwealth, current MASSGrant guidelines would need to be revised to either reduce the maximum amount awarded to students or further restrict eligibility.

The DHE collects year-end financial aid data from public institutions as a condition of their participation in state financial aid programs. Campuses are required to provide data on the number of students who complete the FAFSA and on whether those students receive aid. This data will help identify growth in both FAFSA completion and the receipt of Federal Title IV financial aid dollars at Massachusetts public colleges.

The Appendix provides FAFSA Completion language for inclusion as part of Massachusetts public higher education undergraduate admissions applications. Campuses are called upon to add FAFSA Completion language to admissions applications by June 2009 (or by an earlier date if feasible).

## Appendix

### FAFSA COMPLETION LANGUAGE

*(Institution Name)* awards millions of dollars in federal, state and institutional financial aid each year to eligible students. Many students, however, miss out because they do not think they are eligible and do not complete the Free Application for Federal Student Aid (FAFSA). To apply for financial aid, students must complete the FAFSA available on the Federal Financial Aid Web site at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Financial Aid can be used to pay for tuition, fees, books, transportation, and other educational expenses.

We strongly encourage you to complete the FAFSA. If you need help with your financial aid application or college financial planning, our [Financial Aid Office](#) has counselors who can assist you.

Please select the option below that best describes your plans to complete a FAFSA.  
**This information will have no impact on whether you are admitted to the college.**

- I plan to apply for federal, state and institutional financial aid and am prepared to complete the FAFSA at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).
- I plan to apply for federal, state and institutional financial aid, but I need help from the Financial Aid Office to complete the FAFSA.
- I do not plan to apply for federal, state or institutional financial aid at this time.