

Financial Aid Application *Working Group Report*



COLORADO
Department of
Higher Education

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COLORADO

**Department of
Higher Education**

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Fellow Coloradans,

While Colorado ranks near the top of the country in jobs that require a bachelor's degree, our state ranks near the bottom at one of the essential steps for earning a bachelor's degree - completing the Free Application for Federal Student Aid or FAFSA. Completing a FAFSA is a central component of why most of our highly educated workforce is imported from other states, often called the Colorado Paradox. While increasing student aid applications is not a panacea, it is the necessary first step to making higher education more accessible and affordable for Colorado students.

Over the past five months, a group of nearly 20 experts across the state from secondary and higher education institutions, many working directly with high school students and their families statewide to complete postsecondary plans, met a dozen times to lay out an ambitious goal for the state: **By 2026, 80% of all graduating high school seniors will complete student aid applications.** If the state can meet this goal, Colorado will go from having one of the lowest completion rates in the country to one of the highest. Successfully completing the FAFSA is the primary predictor of whether students will continue their education beyond high school. That is especially true for both low-income and first-generation students, who are 63% more likely to attend college than students who do not complete the FAFSA.

In the following pages, the taskforce puts forward a clear plan for how the state can accomplish this ambitious goal. The strategies we lay out are a combination of proven ideas used by our state in previous years, ideas we have seen work in other states, and new ideas we believe will increase student aid applications while keeping in mind our diverse populations and the changing landscape of our communities.

While it takes resources, we believe there is no other investment the state can make that would yield a higher rate of return. Currently, high school seniors leave behind between \$30-50 million of federal grant money on the table. If the state invests \$10 million, we can get a return on investment of \$5 to every \$1 we spend, and that's not quantifying the multitude of other benefits of having a home-grown, educated workforce.

We want to thank Governor Polis for his encouragement to the taskforce to think boldly, the Colorado legislature who had the foresight to put this taskforce together, and the committee members who took time out of their busy schedules to come together and put these recommendations forward.

Sincerely,

Kiffany Kiewet and Prateek Dutta

FAFSA Working Group Co-Chairs

Table of Contents

Executive Summary	5
Introduction National Landscape	8
Colorado Landscape	10
Why this group, and why now?	11
Working Group Logistics	12
Recommendations	12
Conclusion	23

Executive Summary

The Free Application for Federal Student Aid (FAFSA) is the federal form students and their families fill out to qualify for federal financial assistance for postsecondary education. Similarly, the Colorado Application for State Financial Aid (CASFA) is the state counterpart for students unable to file a FAFSA, introduced for 2021-22. Each year, millions of students nationwide do not file the FAFSA, missing out on billions of dollars in aid they may be eligible to receive. Colorado consistently ranks near the bottom in U.S. FAFSA completion rates of graduating seniors; as a result, it is estimated that Colorado students leave \$30 million in federal financial aid unclaimed each year.

By not filing, students also miss out on state and institutional aid. Without accurate information about available financial assistance, students may rule out postsecondary education as an option based on misconceptions around the cost of college.

Recognizing the importance of ensuring students have accurate information about the financial aid resources that may be available to them to help pay for college, states have taken multiple approaches to increase the number of high school seniors completing financial aid applications. Louisiana implemented a FAFSA graduation requirement and saw the rate of completion increase from 47% in 2015 to an average of 80% over the past three years. Tennessee ties eligibility to the popular

Tennessee Promise Program and does significant community outreach to encourage completions, netting a similarly high completion rate (nearly 75% in 2020).ⁱ

However, low FAFSA (and, in Colorado, CASFA) completion rates are complex issues that can't be solved with a single approach. Common barriers to submitting the FAFSA or CASFA include a lack of awareness of the benefits of the form and how to complete it correctly, the complexity of the form and subsequent verification process for which some students are selected, mistrust of how the information will be used, and lack of resources to support FAFSA/CASFA completion efforts in schools and non-profits — all of which must be addressed to make meaningful progress on a FAFSA/CASFA completion goal.

HB21-1330 tasked the Colorado Department of Higher Education (CDHE), in conjunction with the Colorado Department of Education, with convening a working group to recommend measures for increasing the number of high school graduates submitting FAFSA/CASFA applications. These recommendations, many of which represent a need for a sustainable funding source that enables the state to return to work that was previously funded through grants and other revenue streams that are no longer available, are grouped into several sections based on the timing in which the work group feels they should be implemented.

First, funding should continue for existing programs that have demonstrated success. The programs listed below either receive funding or received funding in the past; both are an important part of Colorado's existing FAFSA/CASFA completion infrastructure and could be even more impactful with higher levels of funding.

- Maintain or increase funding for the Colorado School Counselor Corps grant program. High schools receiving SCCGP funds have higher rates of FAFSA completion than the state average, but limited funds mean that not every school receives these resources.
- Permanently fund CDHE's FAFSA tool, including technical staff to support the tool to update it and make it more user-friendly. Districts rely heavily on the information provided by the tool to support FAFSA completion initiatives.

Next, resources should be developed to move the state forward toward the goal established by the working group--that by July 2026, Colorado will be in the top 10% in the nation in financial aid application completion or have 80% or more of graduating seniors attending a public high school submit a financial aid application. The remaining recommendations are listed in the suggested order of implementation, in the steps necessary to support the goal of increasing the state's FAFSA and CASFA completion rates.

These recommendations should occur early in the process of implementation, as they will provide a foundation for further work in FAFSA/CASFA completion:

- **Develop a team to serve as a resource** on student aid applications, including staff to assist in statewide aid application completion, with accountability for implementing and maintaining work group recommendations, as many will require additional staff resources. Staff should also be dedicated to making necessary technical **upgrades and maintenance of both the CASFA application itself and the way in which it is integrated with institutional data systems** to ensure a positive user experience and seamless interface with postsecondary systems.
 - Update the **FAFSA/CASFA toolkit** to provide more information to districts and students and families on technical aspects of FAFSA/CASFA completion.
 - Implement a **communications campaign in multiple languages** to increase awareness about the benefits of filing a FAFSA or CASFA.
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In the medium term, the following recommendations build on more immediate actions and support longer-term goals:

- Build on the existing financial literacy requirement to incorporate the completion of student aid applications in the **Individual Career and Academic Plan (ICAP) process**.
- Create a **state-endorsed financial aid certification** for school counselors, teachers, and community partners to ensure students receive accurate filing information.
- Work with financial aid offices to **streamline the verification process** across institutions to minimize barriers for students
- Provide **grants to high schools** to support innovation in application completion initiatives at the district level

Finally, after other resources have been developed to support a successful initiative:

- Explore making completion of the FAFSA or CASFA a **high school graduation requirement**, recognizing that such a requirement needs foundational supports to be successful.

Many of the recommendations included in the report are additive, and no single policy or practice included here alone will solve Colorado's financial aid application completion challenges. Together, the working group's recommendations can move Colorado towards both higher financial aid application completion rates and, more broadly, to a culture shift in which students and families are aware of the resources available to pursue postsecondary opportunities and attend college at higher rates.

INTRODUCTION

National Landscape

Each year, millions of students nationwide do not file the Free Application for Federal Student Aid (FAFSA), the form necessary to qualify for any federal financial assistance for postsecondary education, or its state equivalent for students unable to file a FAFSA, the CASFA. The purpose of the FAFSA and CASFA are essentially rationing tools used by financial aid administrators to determine which students have the greatest need for assistance. In addition to federal aid, most state aid programs require that a student has a FAFSA or CASFA on file with the college or university of their choice. Research from the National Center for Education Statistics suggests that 90% of students who complete a FAFSA go on to enroll in college within 12 months.ⁱⁱ Similar research shows the neediest students overestimate the cost of college relative to the financial support they may be eligible to receive; completing the FAFSA/CASFA can help those students and their families better understand the resources available to help them pursue a postsecondary credential and subsequently enroll.ⁱⁱⁱ

Additionally, students who could most benefit from financial aid are less likely to apply. A recent report from Hanover Research estimates that nearly half of the students who do not file the FAFSA would be eligible for an award from the largest need-based federal grant program, the Pell Grant if they completed the application.

Research from the National Center for Education Statistics suggests that 90% of students who complete a FAFSA go on to enroll in college within 12 months.

Further, research from the National College Attainment Network (NCAN) shows that, in most states, districts with higher rates of poverty have lower FAFSA completion rates.^{iv}

By completing student aid applications, students can be connected not only with federal programs such as the Pell Grant, but also state and institutional need- and merit-based awards that can significantly lower the cost of attendance, putting a postsecondary education within reach – but without filing the FAFSA, students will never know the resources that may be available to them.

In 2020, Colorado had one of the lowest FAFSA completion rates in the country – according to CDHE information, the number of high school seniors completing a FAFSA in the 2020-21 cycle was 46%, 6 percentage points below prior-year rates for the state and 6 percentage points below the national average of 52.3%. The state currently ranks 47th in the nation in FAFSA completion rates for high school seniors. As a result of this low completion rate, Colorado high school students annually leave an estimated \$30 million in federal grant aid on the table, as the FAFSA is the primary tool through which federal aid is awarded and is also required for state grants and many institutional need-based aid resources. This number is based on the number of students in high school who qualify for free and reduced lunch, which means they would likely be eligible for federal and/or state grant dollars to pay for college.

By not completing the FAFSA or CASFA, Colorado students are leaving money on the table – and missing out on information and aid that could make college more affordable. But the challenges to FAFSA completion are much broader. Students have different high school experiences and thus

differing levels of FAFSA awareness. Schools have varying levels of resources and priorities impacting their ability to educate and assist students and families in filing the FAFSA and CASFA. This creates inherent inequities in our education system and economy at a time when it is critical that Colorado students understand that there are resources available to make college more affordable. In 2020, an estimated 74% of jobs in Colorado require some form of postsecondary education, and during the COVID-19 pandemic individuals without a postsecondary credential saw more severe rates of unemployment and declines in labor force participation.^{v, vi}

At its current length, completing a FAFSA can be a time-consuming and complex process. Even as we anticipate a shorter FAFSA form in the future, we recognize that the questions within the FAFSA will continue to be challenging to students and their families and require support from well-trained professionals. Additional technical support at the individual, district, and state-level are needed to move the needle on FAFSA and CASFA completion and help connect students with qualifying resources.

Colorado high school students annually leave an estimated \$30 million in federal grant aid on the table

Colorado Landscape

Over the past two decades, Colorado has had a variety of programs targeting improvements in FAFSA completion rates. In the early 2010s, divisions of CDHE served as the state's outreach arm, with staff funded largely through state student loan funds. For five years the state also received a federal College Access Challenge Grant. That grant-funded outreach efforts, a college access scholarship for Pell-eligible undergraduates, a loan forgiveness program for school counselors, and investments in online tools devoted to connecting students and families of all ages with resources for financing and applying to college. State-level outreach staff also coordinated telethons, organized statewide campaigns like College Goal Sunday, and worked with groups like the Colorado Association of Financial Aid Administrators (CAFAA) to maximize the reach of FAFSA and other financial aid education activities.

Following the federalization of student loans, the loan-based funding stream was lost, as was support staff. The federal College Access Grant Program was funded from 2010 through 2014. Although Colorado was a leader in the FAFSA completion initiative work funded through a Kresge Grant from 2014 through 2018, the Kresge Foundation subsequently shifted its focus to awarding community organizations rather than state offices. As a result of the shift, funding supporting the Department's FAFSA portal and the related staff was lost.

The cumulative loss of external funding over time has resulted in a correlated loss in outreach staff and programming, as when private funding was lost there was no funding from the state to continue those efforts. Where the Department previously had 5 outreach staff focused on FAFSA completion, in FY 2021-22 the Department of Higher Education has 1.5 FTE dedicated to outreach. As staff was cut, progress stalled — between the 2011-12 and 2012-13 FAFSA cycles, an increase in FAFSA outreach activities under the CACG program resulted in a 6 percentage point jump in FAFSA completion rates, but both funding and staff declined in subsequent years and Colorado's completions flattened out and eventually declined to the 2021-22 cycle rate of 43%. In more recent years programs like a \$1.5 million grant the Colorado Opportunity Scholarship Initiative (COSI) received through HB 21-1330 to assist local education providers in implementing strategies to increase the number of students who complete a FAFSA/CASFA prior to graduation are targeted at improving completion rates, but like previous efforts these funds are limited and one-time.

As funding for state-level outreach declined in Colorado, other states have implemented strategies that Colorado previously used. Consequently, FAFSA completion stagnated in Colorado while generally improving in other states across the country.

The potential is still there, as is the experience and lessons learned from previous activities. With a comprehensive and sustainable path forward, Colorado can quickly regain the momentum the state had in the previous decade and become a leader in FAFSA and CASFA completions.

Why this group, and why now?

The COVID-19 pandemic had a disruptive effect across higher education – especially among the graduating classes of 2020 and 2021, and especially among low-income students. Per the National Student Clearinghouse, the rates at which the class of 2020 immediately enrolled in college fell by unprecedented levels: depending on student demographics, there was a 4 to 10 percentage point drop in college attendance, with disproportionately large drops among students graduating from high-poverty or low-income high schools.^{vii} To encourage students back into postsecondary education, we must also connect them with the financial resources to make college more affordable.

At the same time, we are approaching an ideal time to promote FAFSA completion, as it is anticipated that the 2021 FAFSA Simplification Act will significantly shorten the application from more than 100 questions to as low as 36 over the next several years.^{viii} Many experts forecast that simplified Pell Grant criteria will result in more students being eligible, and the grant’s value is scheduled to increase in future years.

As FAFSA completion becomes both more important (and potentially more accessible) than in the past, it is critical to have a statewide message on the importance of FAFSA completion

and resources available to support students and families in the process.

This working group, convened by request of [HB21-1330](#), envisions a future of FAFSA and CASFA completion in which students are familiar with the application well before their senior year of high school and can use that information to plan for their postsecondary education. We envision a Colorado where every school district in the state supports their students in navigating the questions that come up while completing the FAFSA/CASFA and have ample resources – both in terms of educational materials and state-level experts – to turn to when they need help.

Increasing FAFSA and CASFA submissions go farther than a graduation requirement, although the working group identified that such a requirement can be an important component of improving the rate of FAFSA and CASFA submissions statewide. It also requires increased outreach and education opportunities for students, families, and professionals. The working group also identified that, for those recommendations with a financial component, ongoing funding is important to ensure the long-term success of programs. Some changes may be gradual – but sustainable long-term success requires a strong foundation.

We envision a Colorado where every school district in the state supports their students in navigating the questions that come up while completing the FAFSA/CASFA and have ample resources – both in terms of educational materials and state-level experts – to turn to when they need help.

Working Group Logistics

Colorado lawmakers passed legislation in June of 2021 (HB21-1330) that created a Financial Aid Working Group tasked with recommending measures to increase the number of students who complete a financial aid application (either the FAFSA or the CASFA) prior to graduating from high school. The working group is composed of 13 members, including representatives from school districts, teachers and counselors, financial aid professionals and higher education employees, student advocates, a representative of an organization that advocates for immigrant communities, and other interested members of the higher education community.

The working group met regularly from September 2021 through January 2022 and discussed challenges to FAFSA and CASFA completion in Colorado, reviewed emerging best practices in other states, and the history of past practice in Colorado. The robust discussions and deliberations of the group resulted in the following goals and recommendations.

Recommendations

Financial Aid Working Group Recommendations

GOAL:

Colorado will be in the top 10% in the country in financial aid application completion or will have 80% or more of graduating seniors submit a financial aid application (FAFSA/CASFA) by July 2026.

The following recommendations are organized based on the general time in which they should occur. Recommendations early in the report should be implemented first — not because they are more important, but because they lay the groundwork for other recommendations found later in the report. Each of the recommendations is equally critical to the state’s success in improving the rate of financial aid application completions.

SECTION I: Maintain/Improve Existing Programs and Structures

Maintain or Increase Student Aid School Counselor Grant Program Funding

Pursuant to 22.91.101-105 C.R.S., the Colorado School Counselor Corps Grant Program (SCCGP) is a four-year competitive grant program awarded to eligible local education providers to increase the availability of effective school-based counseling services for students. Grant funds are intended to increase the level of sustainable school counseling services provided to improve graduation rates and increase the percentage of students who appropriately prepare for, apply to, and continue into postsecondary education. The SCCGP receives an annual appropriation of \$12 million from the General Assembly. This funding supports approximately 160-180 schools across the state per year. Elementary, middle, and high schools are eligible recipients. In general, SCCGP-funded high schools have higher than state average FAFSA completion rates compared to schools not funded by the grant program. For example, FAFSA completion rates for Cohort 6 (the most recently-completed cohort) of the SCCGP were between 6-10 percentage points higher than the state average over the four-year grant cycle.^{ix}

HB19-1187 authorized an appropriation of \$250,000 to SCCGP to focus explicitly on student aid application completion and is set to expire 22-23. The schools and districts that have received SCCGP funding dedicated for FAFSA completion have further increased financial aid application completion amongst their graduating students. This program is an example of what is possible when dedicated funding and support are available to train school staff to support families in completing the FAFSA and CASFA.

While this funding is effective in increasing student financial aid application completion rates, it is targeted only at those schools and districts that receive the grant. While this working group supports continuing (and possibly increasing) the appropriation for the SCCGP for student financial aid application completion, especially in the short term, if FAFSA/CASFA completion becomes either a requirement in the ICAP process and/or a high school graduation requirement, funding a grant program that serves all high schools across the state is necessary.

Web Tool Upgrades and Maintenance

The Education Commission of the States has identified the availability of regularly updated information as a best practice in boosting FAFSA completion.^x Colorado currently has a dashboard on which FAFSA completion rates are regularly updated by districts and from which K-12 partners can track completion rates at their institution at the student-level. A public-facing side of the website does exist, however, it is challenging to navigate for those unfamiliar with it.

This work, started through the College Access Challenge Grant and further refined with the support of a Kresge Foundation grant in 2014, has continued beyond the expiration of the grant in April 2019, although there are no longer staff dedicated to directly supporting the project. The costs and workload for essential tasks have been taken on by other Department staff, and the work is focused primarily on the maintenance of the existing tool rather than new development. Most of the important FAFSA completion work and outreach related to the tool has stopped due to a lack of funding for the necessary staff positions. The tool itself is still heavily used by district-level staff in tracking FAFSA completions each year to help reach students who need assistance in completing their applications. Its loss would be extremely detrimental to this effort.

Further investment in both staff and the tool itself would support the ongoing work needed for the tool to be used and could allow for a revamp, making the website more user-friendly and allowing the Department to build out a FAFSA Dashboard in the future. In addition to making it easier for “friendly competition” between districts/schools, easily accessible and regularly updated information could also assist policymakers and administrators in identifying schools and districts that could benefit from additional support based on lower completion rates or larger equity gaps.

Additional work to the FAFSA tool should explore the possibility of incorporating CASFA data while continuing to focus on the importance of data security and student privacy with a top priority to meet Colorado student privacy requirements.

SECTION II: Additional Recommendations to Generate Momentum

SHORT TERM:

Streamlined Support for FAFSA/CASFA Submission

Colorado's state financial aid structure is decentralized — most state financial aid programs are administered as block grants and packaged at the college level. The limited number of aid programs administered directly by the Department tends to be small and targeted towards specific groups of students. So while many Department staff overlap with financial aid in some way, there is not currently the staff or capacity for a scaled effort to increase FAFSA/CASFA completion rates.

As NCAN notes, FAFSA/CASFA completion is a community-wide effort, with the state having an important role to play in goal setting, coordinating and supporting the work of local partners.^{xi} Colorado has experience with providing this support in the past, through programs such as College In Colorado and the College Access team supported by the College Access Challenge Grant (CACG). Increased and sustained investment in state-level staff can help Colorado regain the ground lost following the elimination of previously existing state-level resources. To carry out this role, the state should invest in financial aid completion support at the state level through the creation of an office jointly managed by CDHE and CDE.

Many of the recommendations in this report require the development of resources, the coordination of information and communications, and the distribution of information with a state lens. A permanent office would be the implementation vehicle for many of these recommendations.

The office could help develop comprehensive, web-based resources and create a hotline to assist school counselors, financial aid staff, and other on-the-ground community partners with FAFSA/CASFA efforts and technical questions. An office could coordinate communications campaigns, materials with ideas for completion activities or digital resources targeted towards young people.

The Office will also:

- Partner with nonprofits, colleges, and other financial aid administrators to develop relationships with K-12 districts and community partners and serve as a direct link between school- and district-level FAFSA completion efforts
- Host in-person and virtual FAFSA/CASFA completion events Lead in-person workshops to train school counselors and other staff to lead student aid application workshops

- Mobilize, train, and deploy volunteers to support financial aid completion events in the community, and serve as a point of contact for questions in order to ensure quality control and ensure that financial aid applications are being submitted correctly.
- Manage the FAFSA tool and oversee CASFA maintenance and implementation.
- Keep the community abreast of changes to the FAFSA/CASFA application and all policy changes that impact students. This office could also work with financial aid experts across the state, such as organizations like the Colorado Association of Financial Aid Administrators (CAFAA), to help advise on best practices.

An adequately staffed office will lead and execute implementing the other recommendations outlined in this report. Many of these recommendations build on the work of previous state efforts around FAFSA completion — promising programs that were cut short based on lack of funding. The establishment of an office enables the state to pick up where it left off to build towards an ambitious FAFSA completion goal.

A large part of this office’s responsibility is to manage the FAFSA tool and oversee CASFA maintenance and implementation. The CASFA needs additional support — as of right now, no state-level staff are solely focused on CASFA implementation, training, and promotion. Instead, CASFA-related duties have been split among staff, all of whom have full workloads before the application’s creation. Submitting the FAFSA requires a great deal of private and potentially sensitive information, this is especially true of the students filing a CASFA. As such, establishing trust in the application is critical; something that is challenging to do when the application is inconvenient to use and when adequate supports are not in place due to a lack of staff capacity. The application as it currently exists could be significantly improved -- while some of these improvements rely on the ability of the application’s current vendor to make updates, additional staff capacity dedicated to managing the update process could ensure that needed changes happen in a timely manner to improve the student experience.

Revamp the FAFSA/CASFA Toolkit

The U.S. Department of Education maintains online tools and resources related to FAFSA completion. CDHE assists in compiling and distributing the information in these resources during campaigns such as the “Get Your Piece of the Pie” challenge. However, additional information (especially at the school/district level) could be a valuable resource in increasing FAFSA/CASFA completion rates. The state should create more resources for the CASFA, both for students and families, and for administrators, as the application is still in a relatively early stage of use. FAFSA/CASFA toolkit materials should be available both electronically and in hard copy and in multiple languages. The office should regularly update the toolkits as policies and applications change.

Communications Campaign

Many students do not realize that they may be eligible for aid upon completion of a financial aid application, and as a result do not feel the need to apply. Others are simply not familiar with the FAFSA to begin with. At the same time, students and parents regularly overestimate the cost of college: research from the U.S. Department of Education indicates that in 2009, 57% of 9th-graders overestimated tuition and fees at four-year institutions in their state.^{xii} To help students and families understand that college may be within reach, additional outreach is needed. Federal simplification of the FAFSA is due to be implemented in the coming years. This is an ideal time to increase communication efforts, reference new and improved federal forms and reach out to ASSET-eligible students on their potential to access state aid.

Communication at the state level can help address common misconceptions about financial aid applications and promote the potential benefits of applying. The state can also support schools and districts by developing communication resources and assisting with the organization of statewide events — work that Colorado already does to an extent through the “Get Your Piece of the Pie” campaign, but with additional resources that could be enhanced. Tennessee, for example, annually supports “FAFSA Frenzy,” a statewide effort to encourage and support high school seniors in filing the FAFSA. During FAFSA Frenzy, high schools host events during school hours where computers and volunteers are available to help students complete the form. Additionally, the state provides a toolkit for participating high schools with information on how to file the form, social media and marketing resources, and suggestions on how to recruit and engage volunteers. This type of statewide campaign also requires information resources, which are discussed in a separate recommendation.

The state should consider partnering with community partners and recognized state figures to heighten awareness of the FAFSA/CASFA. Strategies may be partnering with sports teams such as the Denver Nuggets or Broncos and have been previously used. Other marketing possibilities include billboards, ads on local news stations, marketing in community hubs such as grocery stores, recreation centers and through programs such as the Boys and Girls Club. All marketing should be available in a variety of languages to ensure all students and families are reached.

MEDIUM TERM:

Incorporating Financial Aid in the ICAP process

Individual Career and Academic Planning (ICAP) was introduced in legislation in SB09-256, partially in response to a widening achievement gap, high dropout rates, low numbers of high school graduates who continue into and complete higher education and a high need for remediation among those who pursue higher education. As part of this legislation, local education providers (LEPs) were required to provide access to an ICAP process for students in grades 9-12 and their families. The ICAP process is intended to provide students, in cooperation with school staff and family members, a tool to assess their strengths and interests, align those strengths and interests with academic and career opportunities in their future, and plan for how to access these opportunities. Since 2009, LEPs have adopted ICAP processes for their students, with many expanding ICAP into the elementary and middle grades.

Financial literacy with a focus on paying for college is a part of the ICAP process. However, the authorizing legislation for ICAP has no requirement to complete FAFSA/CASFA applications. Statutory change that would require all LEPs to provide information on the benefits of financial aid application completion, as well as to provide support for student's completion of the FAFSA or CASFA as part of the ICAP process, could yield much higher completion rates since all high school students must have access to an ICAP process.

For LEPs to comply with this statutory change, they will need additional support from the state. Current staff within LEPs may or may not know about the benefits of financial aid application completion or how to correctly complete the financial aid applications according to vastly different family scenarios. Therefore, extensive, and ongoing training and resources are needed to describe these benefits and accurately support students and families. These resources could be developed and provided by personnel in the office.

In addition, staff resources within LEPs are already strained. Therefore, LEPs will require additional staffing and/or other resources to support this work. For example, if existing staff provide student financial aid application completion nights and weekend events to support families in completing these applications, staff will need training on leading these events, requiring substitute pay and resources. In addition, schools need to pay staff to attend, provide food and childcare for families, provide interpretation services for families whose first language is not English, purchase supplies and devote other resources to making these events successful and productive. Funding through an innovative grant to schools and districts (below) could serve this purpose.

Creation of a State Endorsed Financial Aid Certification

One of the challenges around any FAFSA/CASFA outreach effort is the need to rely on partners in both school districts and the community who are not financial aid experts. The FAFSA and CASFA as they currently exist are complicated forms; even following forthcoming FAFSA simplifications they will still likely contain questions that can be challenging to answer for students and families. Students and families also have a wide range of circumstances that can make FAFSA/CASFA pre-work confusing. For example, many questions can be challenging if students don't live with their parents, if parents are deceased or incarcerated, if they live in another country, have complicated tax filing scenarios, or any number of other circumstances. Ensuring that FAFSA/CASFA filers receive accurate information is critical, as errors on the FAFSA/CASFA can result in students being selected for verification, a process that is even more time-consuming and complicated than the FAFSA itself, unintentionally creating additional barriers to accessing higher education. In other cases, errors can result in students' applications never being processed at all.

Of course, state staff and institutional financial aid experts cannot be everywhere; even at the height of Colorado's outreach efforts, it would not have been possible for state-level staff to be available in every district at all times. As such, to ensure students and families have FAFSA/CASFA expert assistance available to them no matter where they live, CDHE (or the office) should oversee the creation of a financial aid certification. Alternatively, the Department or Office could select an existing program that can be modeled and offered statewide to school counselors, teachers, and community partners, to have at least one financial aid-certified professional available in each district to confidently provide expert support and answer both routine and complicated questions/scenarios about accurate completion of the FAFSA/CASFA. The office would be available for support and guidance when needed. The certification should also be available to interested postsecondary faculty and staff and community members. Potential models or partners for this work include the National Association of Student Financial Aid Administrators (NASFAA), which offers credentialed training in the FAFSA application process, and the Colorado Association of Financial Aid Administrators (CAFAA), which includes dedicated financial aid professionals committed to financial aid awareness across the state.

Training and certification opportunities should be ongoing since forms and policy change every year. CDHE, the Office and CDE should explore whether completion of such training could be recognized as a professional development opportunity for K-12 staff.

Streamline Verification Process Across Institutions

After completing the FAFSA, roughly 20-30% of students are selected by the U.S. Department of Education to complete a process known as verification. Verification is a review and validation process of the data submitted on the FAFSA. The verification process generally requires students to obtain additional documents such as IRS tax transcripts that are then reviewed by financial aid administrators. Other documents may be requested depending on the reason a student's application was selected. Depending on the student's circumstance, these documents can be difficult to obtain, and the verification process also requires a great deal of follow-up work on the part of institutional financial aid offices to ensure students submit documentation.

Verification tends to impact low-income students the most, as the federal government uses it as a tool to ensure Pell Grant dollars are being correctly awarded. However, as the National Association of Student Financial Aid Administrators (NASFAA) notes, the result of this policy is that "many of the lowest income students, or those most in need of financial aid, are targeted with heightened complexity, additional scrutiny, and delayed aid notification."^{xiii} The National College Access Network (NCAN) estimates that roughly 1 in 5 low-income students selected for verification never complete the process, and as a result are unable to receive federal aid.^{xiv}

Verification is a federal process, and possible solutions must occur at the federal level. Possible solutions are a cap on the percentage of students that can be selected for verification, or a simplification of the process itself. Forthcoming changes to the FAFSA are expected to significantly reduce the number of questions and should also leave less room for error in the form. However, even though most changes need to occur at the federal level, the state should make an effort to ensure students can expect the same verification process regardless of which institution they are attending. One method by which to do this is requiring institutions use universal forms developed by the U.S. Department of Education for verification and non-tax-filing statements.

Innovative FAFSA Grant to Districts and Community Based Organizations

To increase student financial aid application completion significantly, local schools and districts need to support students and families to complete applications. To do so, local education providers (LEPs) will require additional resources. Therefore, the FAFSA Working Group recommends the creation of a grant program to provide needed financial resources to LEPs and community-based organizations (CBOs) who have strategic financial aid completion goals. These grant dollars are important if student financial aid application completion becomes a required part of the ICAP process or a graduation requirement. In this case, the grant program should provide funding to all LEPs and selected supporting CBOs, as each high school will be responsible for providing training and support to students and families on student financial aid application completion. These grant funds may be used for staffing (FTE or stipends), planning and executing student financial aid application completion sessions with students and families, training of school staff, supplies, outreach and/or contracting with community organizations, or other expenses incurred to adequately support this initiative. This funding should be ongoing to allow districts and community partners to develop sustainable programs.

Additional strategies include allowing districts and CBOs to create a “Race to the Top” to increase FAFSA/CASFA completion rates in their community and apply for grant dollars. Grant funding could be targeted to higher poverty/rural districts, and allowable uses could include hosting aid application nights, hiring staff, home visits, cash incentives for schools/students, dollars for outreach to community organizations and other innovative means of increasing engagement with financial aid application completions.

LONGER TERM:

Part of High School Graduation

States around the country have either incorporated financial aid application completion into graduation requirements or are considering doing so. Before Louisiana adopted FAFSA completion as part of its state’s graduation requirements in 2015, only 47% of graduating seniors completed the FAFSA. Since the adoption of this graduation requirement, Louisiana now has the highest FAFSA completion rate in the country, averaging 80% over the past three years. Similarly, Illinois passed legislation in 2019 requiring FAFSA completion to graduate, yielding a 5% increase in FAFSA completion from 2020 to 2021. Alabama, California, Texas, and New Hampshire have all passed legislation to require FAFSA completion, but implementation has not yet begun, and several other states have taken up legislation considering a requirement.

To support the graduation requirement in states that have adopted them, multiple supports have been adopted. Illinois has incorporated an alternative financial aid application form that can be completed by students who may not otherwise qualify for federal financial aid (like Colorado’s CASFA). In all states implementing a requirement, families have the option to opt-out using an online form. Louisiana has developed online portals that show completion rates by school and district, creating a friendly competition between local education agencies to encourage greater completion. States have also created training resources, including FAFSA completion toolkits, created agencies that provide trainers for school and community organization staff, and strongly encouraged the development of relationships with community partners in local areas to support financial aid application completion initiatives.

Historically, Colorado has not had statewide graduation requirements, due to constitutionally-recognized local decision-making authority for school districts. However, beginning with the graduating class of 2022, each school district must align their locally-determined graduation requirements with the state’s [Graduation Guidelines Menu of Options](#). Therefore, policy already exists for additional state-mandated graduation requirements to be implemented. However, if Colorado is to implement a statewide graduation requirement that requires financial aid application completion, many of the other recommendations in this document need to be implemented as well (as described above for Louisiana and Illinois) to provide needed support for K-12 schools and districts.

Making FAFSA/CASFA completion a high school graduation expectation ensures all students know how much federal and state aid they are eligible to receive. This strategy also allows for an opt-out for any student that does not want to complete (for example, undocumented students and other students with concerns about giving information to the government, students enlisting in the military, etc). To make this successful, resources and financial aid training must be provided at the school district level by the state. A tracking method for these opt-outs that is directly tied to the FAFSA tracking tool is also advised. Needed training could be provided through the office, in partnership with individuals who complete the financial aid certification, or with funding from the School Counselor Corps Grant Program. Of all the recommendations in the report, this recommendation should have the longest “lead time” — for a graduation requirement to be successful, the state first needs to take steps to develop infrastructure to support significantly higher numbers of students completing financial aid applications. The earliest a FAFSA/CASFA graduation requirement should be implemented is for the class of 2025. This lead time gives districts time to familiarize students with the requirement and gives partners time to develop resources to ensure that students complete the FAFSA/CASFA with the necessary support to be successful.

Conclusion

Many challenges exist in increasing FAFSA and CASFA completions in Colorado. But there are also strategies available to address those challenges — many of which Colorado has had success with in the past and others that represent a new direction in the state’s FAFSA/CASFA completion efforts. Most require additional, ongoing investments to maximize their impact. However, those investments could generate significant returns by dramatically increasing the number of students who complete a FAFSA or CASFA and go on to benefit from both the financial aid resources the applications open to them and the postsecondary education those resources allow them to pursue.



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