

Enclosure 5a
May 15, 2024

Update on FAFSA

May 15, 2024

RHODE
ISLAND

Presentation Objectives



Provide an overview of FAFSA and the United States Department of Education's Better FAFSA initiative.



Understand the impact of the FAFSA transition on students and families.



Detail Rhode Island's efforts to support FAFSA completion.

What is FAFSA?

FAFSA is the Free Application for Federal Student Aid is a form completed by current and prospective college students determine eligibility for student financial aid.

- **Pell Grants** are awarded to undergraduate students who display exceptional financial need and have not earned a bachelor's, graduate, or professional degree. The maximum Pell Grant award is \$7,395 for the 2024-25 school year.. Federal Supplemental Education Opportunity Grant (FSEOG) is a grant that is awarded to an undergraduate student who demonstrates exceptional financial need to help pay for their education. Awards can range from \$100–\$4,000.
- **William D. Ford Federal Direct Loan Program** is the largest single source of financial aid and provides low-interest loans for students and parents to help pay for the cost of a student's education after high school. There are four types of federal Direct Loans. This includes Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans, and Direct Consolidation Loans. Loans must be repaid.
- **Federal Work-Study Program** provides funds for part-time employment to help needy students to finance the costs of postsecondary education. Students can receive FWS funds at approximately 3,400 participating postsecondary institutions. Hourly wages must not be less than the federal minimum wage. Work-study wages are earned and are taxable though they are exempt from Social Security and Medicare taxes.

The successful completion of FAFSA is required for students participating in the Rhode Island Promise and Hope Scholarship programs.

Better FAFSA: National Overview

Better FAFSA simplified the application and updated student aid calculations that expand Pell Grants to more students by linking eligibility to family size and the federal poverty level.

The changes are anticipated to expand access to Pell Grants for an additional 610k high school graduates each year while also ensuring that an additional 1.5M students receive the maximum Pell Grant award.



Based on United States Department of Education projections, Better FAFSA will provide more than \$21M in federal funding to reduce the costs of college for Rhode Island high school graduates.

Better FAFSA: National Release

The release was supported by the FAFSA Roadmap, released in March 2023, which provided a year of implementation support to targeted stakeholders.

Better FAFSA Toolkits

Students and Families



THE BETTER FAFSA
What Students and Their Families Need to Know

Higher Education Opens Doors to Opportunity
The U.S. Department of Education is making transformational changes to the Free Application for Federal Student Aid (FAFSA) form. The FAFSA form is an application that students and families need to complete to apply for federal student aid, such as federal grants, work-study funds, and loans. Completing and submitting the FAFSA form is free, and it gives students access to the largest source of financial aid to help pay for higher education.

The Better FAFSA is:

- Simple and streamlined.
- Easier to fill out—many people complete it in under 15 minutes.

7.1 MILLION total students expected to be eligible for Pell Grants

665,000 more students

Better FAFSA Timeline for the 2024-25 Award Year

NOW

- Students and families should complete and submit the 2024-25 FAFSA form

MARCH

- The Department begins transmitting FAFSA information to schools and state agencies for processing.

Educators and Counselors



THE BETTER FAFSA
What High School Educators and College Access Counselors Need to Know

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Colleges and Universities



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Checklist for College and University Officials

Every college and university should ensure it is ready to process student records when those records arrive in the first half of March.

- Ensure your financial aid office is adequately trained and has the most recent software.
- Utilize test versions of institutional student information records to ensure

The Better FAFSA transition has been challenging for students, families, educators, and postsecondary institutions.

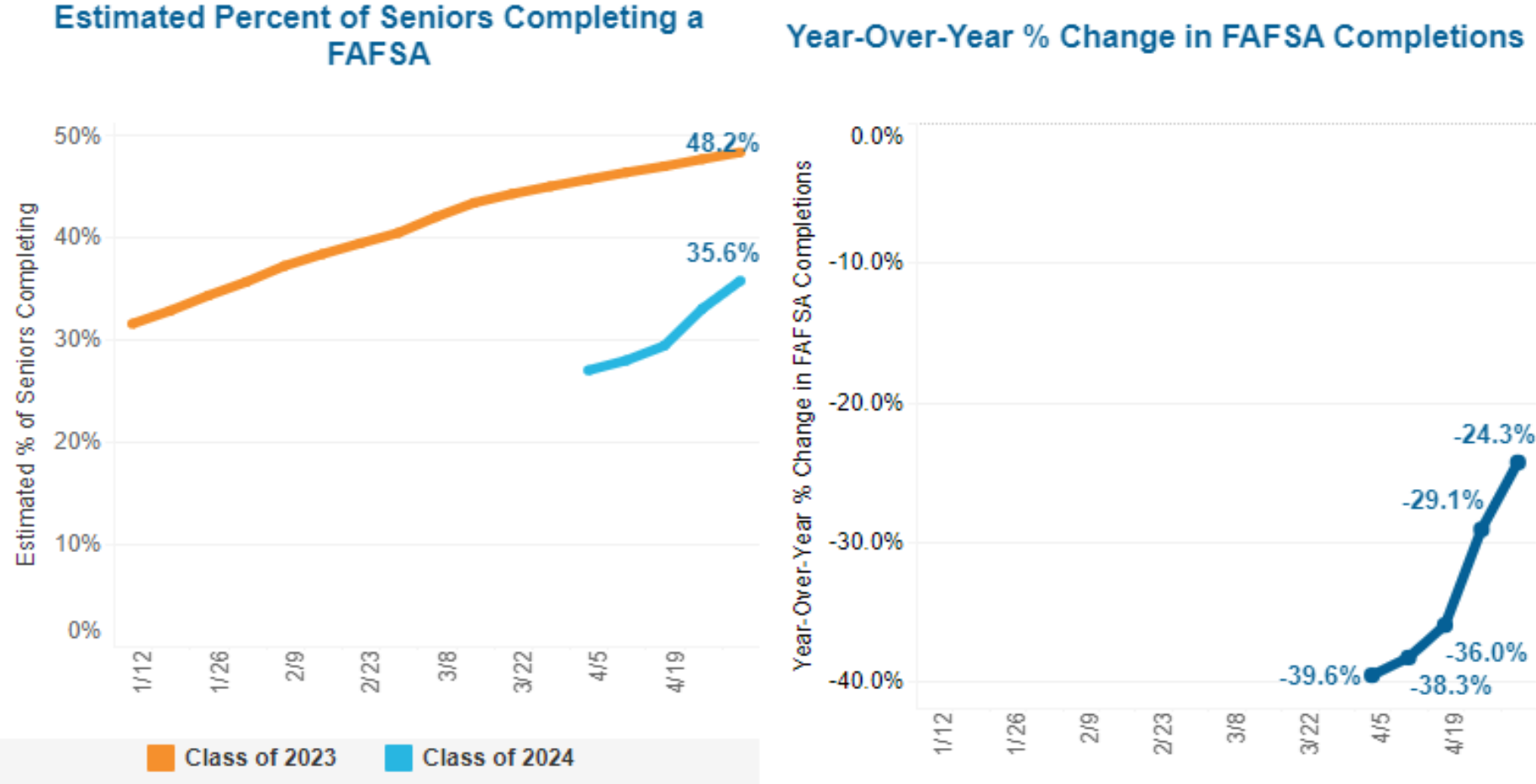
Better FAFSA: National Challenges

The United States Department of Education released the Better FAFSA application on December 31, 2023.

- FAFSA is typically released on October 1st. The shift in the release of the application has strained the capacity of school counselors in our high schools and financial aid staff in our colleges. As a result, financial aid offers have been delayed to prospective students.
- The FSA ID site initially experienced outages and lengthy delays. Students and families must create an FSA ID before accessing the FAFSA.
- Students with a parent who does not have a Social Security Number were initially unable to submit the electronic FAFSA form.
- FAFSA processing has been delayed by two major discoveries: student aid index calculation errors, which affected about 200,000 forms, and incorrect tax data provided by the IRS on about 330,000 forms. The errors meant nearly 20 percent of submitted FAFSAs needed to be reprocessed.
- Data was not provided on individual students submitting and completing FAFSA until late March.

FAFSA Completion: The National Impact

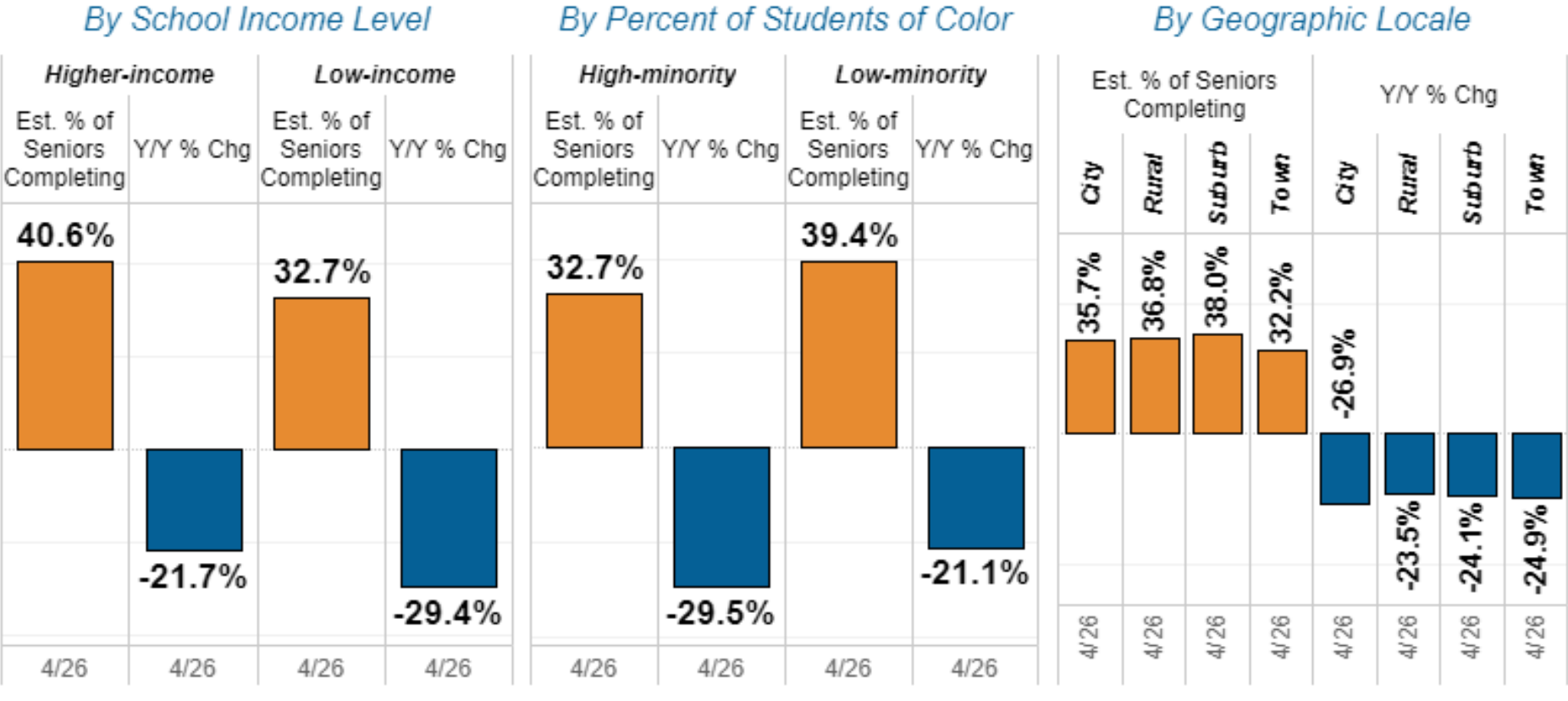
Through April 26, 2024, 35.6% of the high school class of 2024 has completed a FAFSA. This represents a decline of 24.3% compared to this time last year.



FAFSA Completion: The Disproportionate Impact

Through April 26, 2024, high schools with historically underserved populations are disproportionately impacted by the transition to Better FAFSA.

Est. % of Seniors Completing a FAFSA & Year-Over-Year % Change in FAFSA Completions by High School Characteristics



FAFSA Completion: The Impact in Rhode Island

Through April 26, 2024, 41.7 % of Rhode Island's high school graduates completed the FAFSA. This represents a 20.1% year-over-year decline in FAFSA completion.

Rhode Island: Total FAFSA Completions Through Most Recent Date

Current Cycle: 5,232

Previous Cycle: 6,546

Difference: -1,314

% of Seniors Completing the FAFSA: Rhode Island vs. National



Through April 26, 2024, we have 1,314 less students submitted FAFSA compared to last year.

We have taken thoughtful and deliberate action to mitigate the impact of the FAFSA release on Rhode Island's students and families.

Our High Schools are Leading the Way

RIDE surveyed our high schools to spotlight their most successful strategies to increase FAFSA completion. Our schools identified the following strategies as the most impactful.

- One-on-one meetings with students and families.
- Holding multiple FAFSA completion events at night and on the weekend including FSA ID Nights.
- “Fill It Out Fridays”
- Providing incentives for FAFSA completion.
- Working with community partners and municipal leaders to hold FAFSA events.

Expanding Partnerships to Increase Support

RIDE is increasing statewide capacity to students, families, and educators to support FAFSA completion.

- RIDE hired two bilingual FAFSA ambassadors to support FAFSA completion. They have served as liaisons between RIDE, higher education, and our high schools. They are actively planning school-level FAFSA events, supporting school counselors, and meeting directly with students and families to support FAFSA completion.
- RIDE partnered with Onward We Learn (OWL) to provide district-level support to PPSD on FAFSA completion. As a result, PPSD's FAFSA submission rate is above the state average. OWL is directly supporting students and families in submitting FAFSA. *RIDE just entered into a partnership with OWL to provide support to Tolman High School in Pawtucket.*
- Through the PrepareRI initiative, we have created a statewide FAFSA completion dashboard, FAFSA toolkits to support students, families, and educators, and a FAFSA Portal to provide educators access to student-level completion data.* Toolkits are translated to Spanish and Portuguese.

* The PrepareRI FAFSA Portal has not yet been updated due to reporting challenges from the United States Department of Education.

Because of these efforts, Rhode Island has the 7th highest FAFSA submission rate in the country with the 11th lowest reduction in FAFSA submitted year-over-year.

Our colleges and universities have also been adversely impacted through the Better FAFSA transition. They've taken commendable steps to provide additional time for students and families to review financial aid applications.

Our postsecondary leaders are evaluating the potential impact of FAFSA completion on higher education enrollment.