

## FAFSA DEADLINE ACT

SEPTEMBER 20, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Ms. FOXX, from the Committee on Education and the Workforce, submitted the following

### R E P O R T

together with

### MINORITY VIEWS

[To accompany H.R. 8932]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 8932) to establish an earlier application processing cycle for the FAFSA, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “FAFSA Deadline Act”.

#### SEC. 2. ESTABLISHMENT OF EARLIER APPLICATION PROCESSING CYCLE.

Section 483(d)(4) of the Higher Education Act of 1965 (20 U.S.C. 1090(d)(4)) is amended by striking “not later than January 1 of the applicant’s planned year of enrollment, to the maximum extent practicable, on or around October 1 prior to the applicant’s planned year of enrollment” and inserting “not later than October 1 prior to the applicant’s planned year of enrollment”.

#### SEC. 3. CERTIFICATION AND TESTIMONY REQUIREMENTS.

Section 483(d)(4) of the Higher Education Act of 1965 (20 U.S.C. 1090(d)(4)) is further amended—

(1) by striking “The Secretary” and inserting the following:

“(A) IN GENERAL.—The Secretary”; and

(2) by adding at the end the following:

“(B) CERTIFICATION AND TESTIMONY REQUIREMENTS.—The Secretary shall, with respect to each application processing cycle, prior to the initiation of such processing cycle—

- “(i) on a date that is not later than September 1—  
 “(I) certify to the authorizing committees that the Department will meet the October 1 deadline specified in subparagraph (A) for such processing cycle; or  
 “(II) certify to such committees that the Department will not meet such deadline; and  
 “(ii) in the case of a certification described in clause (i)(II), on a date that is not later than September 30, testify before the authorizing committees on—  
 “(I) the anticipated failure to meet such deadline; and  
 “(II) the financial impact such failure will have on students and families.”.

#### PURPOSE

To establish an earlier application processing cycle for the FAFSA.

#### COMMITTEE ACTION

##### 117TH CONGRESS

##### *First Session—Hearing*

On June 24, 2021, the Committee on Education and Labor held a hearing on “Examining the Policies and Priorities of the U.S. Department of Education.” The purpose of the hearing was to examine the policies and priorities of the U.S. Department of Education. During the hearing, then-Ranking Member Virginia Foxx (R-NC) asked questions about then-Federal Student Aid Chief Operating Officer Richard Cordray’s operational experience to manage student aid informational technology. Testifying before the Committee was Department of Education Secretary Miguel Cardona, Washington, D.C.

Second Session—Hearing On May 26, 2022, the Committee on Education and Labor held a hearing on “Examining the Policies and Priorities of the U.S. Department of Education.” The purpose of the hearing was to examine the policies and priorities of the U.S. Department of Education. During the hearing, Representative Tim Walberg (R-MI) asked questions about FAFSA data privacy. Testifying before the Committee was Department of Education Secretary Miguel Cardona, Washington, D.C.

##### 118TH CONGRESS

##### *First Session—Hearing*

On March 23, 2023, the Committee on Education and the Workforce held a hearing on “Breaking the System: Examining the Implications of Biden’s Student Loan Policies for Students and Taxpayers.” The purpose of the hearing was to examine the effects of President Biden’s loan policies on American postsecondary education. During the hearing, Representative Alma Adams (D-NC) asked questions about the implementation of FAFSA changes through the FUTURE Act. Testifying before the Committee was Mr. Marc Goldwein, Senior Vice President and Senior Policy Director, Committee for a Responsible Federal Budget, Washington, D.C.; Dr. Adam Looney, Director, Marriner S. Eccles Institute for Economics and Quantitative Analysis, University of Utah, Salt Lake City, UT; Dr. Carlo Salerno, Economist and Financial Aid Ex-

pert, Los Angeles, CA; Mr. Sameer Gakaree, President, The Institute for College Access & Success, Oakland, CA.

On May 16, 2023, the Committee on Education and the Workforce held a hearing on “Examining the Policies and Priorities of the U.S. Department of Education.” The purpose of the hearing was to examine the policies and priorities of the U.S. Department of Education. During the hearing, Chairwoman Virginia Foxx (R-NC) asked questions about the use of Federal Student Aid’s budget for the FAFSA. Testifying before the Committee was Department of Education Secretary Miguel Cardona, Washington, D.C.

On May 24, 2023, the Committee on Education and the Workforce held a hearing on “Breaking the System Part II: Examining the Implications of Biden’s Student Loan Policies for Students and Taxpayers.” The purpose of the hearing was to conduct oversight of the Biden administration’s student loan policies. During the hearing, Representative Brandon Williams (R-NY) asked questions about the release date of the FAFSA. Testifying before the Committee was the Honorable James Kvaal, Under Secretary of Education, Department of Education, Washington, D.C.; Mr. Richard Cordray, Chief Operating Officer, Office of Federal Student Aid, Department of Education, Washington, D.C.

#### *Second Session—Hearing*

On April 10, 2024, the Committee on Education and the Workforce held a hearing on “FAFSA Fail: Examining the Impacts on Students, Families, and Schools.” The purpose of the hearing was to examine the impacts of the FAFSA delays and errors on students, families, and schools. The hearing investigated the Department of Education’s communication about the FAFSA release date, the software errors impacting access and processing, and the impact of a lowered FAFSA completion rate for schools. Testifying before the Committee were Mr. Mark Kantrowitz, President, Cerebly, Inc., Skokie, IL; Mr. Justin Draeger, President and CEO, National Association of Student Financial Aid Administrators, Washington, D.C.; Ms. Kim Cook, CEO, National College Attainment Network, Washington, D.C.; Ms. Rachele Feldman, Vice Provost, Enrollment, University of North Carolina Chapel Hill, Chapel Hill, NC.

On May 7, 2024, the Committee on Education and the Workforce held a hearing on “Examining the Education Department’s Policies, Priorities, and FY 2023 Financial Audit Failure.” The purpose of the hearing was to examine the policies, priorities, and FY 2023 financial audit failure of the U.S. Department of Education. During the hearing, Chairwoman Virginia Foxx (R-NC), Representatives Bobby Scott (D-VA), Suzanne Bonamici (D-OR), Walberg, Glenn Grothman (R-WI), Adams, Rick Allen (R-GA), Erin Houchin (R-IN), Susan Wild (D-PA), Frederica Wilson (D-FL), Haley Stevens (D-MI), Lori Chavez-Deremer (R-OR), and Williams, and Delegate Gregorio Sablan (D-MP) made comments and asked questions regarding the release date, processing, and impacts of the delayed FAFSA. Testifying before the Committee was Miguel Cardona, Secretary, U.S. Department of Education, Washington, D.C.

#### *Legislative Action*

On July 5, 2024, Representative Houchin introduced the *FAFSA Deadline Act* (H.R. 8932).

The bill was referred solely to the Committee on Education and the Workforce. On July 10, 2024, the Committee considered H.R. 8932 in legislative session and reported it favorably, as amended, to the House of Representatives by a recorded vote of 34–6. The Committee considered the following amendments to H.R. 8932:

1. Representative Houchin offered an Amendment in the Nature of a Substitute (ANS) that renamed Section 2 of the bill. The amendment was adopted by voice vote.
2. Representative Bob Good (R–VA) offered an amendment to require the Department of Education to certify to Congress by September 1 whether or not the FAFSA will be ready on October 1. If the FAFSA will not be ready, the Secretary will have to testify to the Committee within the month on the reasons for the failure to meet the deadline. The amendment was adopted by voice vote.

## COMMITTEE VIEWS

### INTRODUCTION

The Free Application for Federal Student Aid (FAFSA) is designed to make postsecondary education accessible and affordable for countless students across the United States. However, the Biden administration’s failure to implement the new and simplified FAFSA has compromised student access to crucial financial information. The form’s release was delayed for months, and when it was finally released was functionally unusable, with some problems taking months to address. There are still outstanding challenges that have hindered students’ ability to complete the FAFSA.

Processing of completed FAFSAs also was delayed for months. Once processing finally began, millions contained calculation errors—rendering them useless for schools and requiring reprocessing. FAFSA delays forced schools and states across the nation to push back deadlines, causing increased uncertainty for fall enrollment.

The Department of Education (Department) has said that October 1, 2024, is the “goal” for launching the 2025–2026 FAFSA, but all signs point to the Department missing its “goal.” The current “flexibility” in statute allows the Department not to release the FAFSA until January 1, causing confusion for schools and families and making it difficult for states and nonprofits to process aid packages or award scholarships. By creating a hard deadline of October 1, the FAFSA Deadline Act will end that confusion and give clarity to the American public.

### FAFSA BACKGROUND

Students need to complete the FAFSA for access to federal student aid programs such as Pell Grants, work-study funds, and federal student loans.<sup>1</sup> In many cases, states and private organizations also require information from the FAFSA to help with their eligibility assessment for state and private grants.

The FAFSA submission window generally opens in the beginning of October before the start of a new aid year.<sup>2</sup> This process gives

<sup>1</sup> <https://studentaid.gov/help/fafsa>

<sup>2</sup> <https://www.savingforcollege.com/article/fafsa-deadlines>

students and families time to fill out the FAFSA and review their financial aid packages before making enrollment decisions for the following fall.

After a FAFSA is processed, the Institutional Student Information Record (ISIR) is produced. ISIRs are sent electronically to the schools that the student selected on the FAFSA as well as to state agencies.<sup>3</sup> ISIRs are used by both states and institutions to determine finalized aid awards for students. Institutions review student ISIRs, along with their admission status, to create an individualized financial aid award letter that can include federal, state, institutional, and private financial aid components.<sup>4</sup>

Many state scholarships and grant programs also require a completed FAFSA as a part of their application process to distribute awards. Furthermore, state-level scholarships and grants often have specific eligibility criteria that may include academic achievement, field of study, or commitment to work in a particular profession within the state after graduation. By analyzing FAFSA data in conjunction with other application materials, state education agencies can more accurately identify eligible students for these specialized programs. Because state and institutional aid can be on a first-come, first-served basis, many states and institutions set early deadlines to encourage students to complete the FAFSA well before the next academic year starts.<sup>5</sup>

#### FAFSA SIMPLIFICATION

The previous FAFSA was criticized for being complicated and lengthy to navigate, resulting in confusion for students and families.<sup>6</sup> After multiple efforts to change the FAFSA, two major bills eventually were passed to streamline and simplify both the FAFSA and the calculation process: the *Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act* in 2019 and the *FAFSA Simplification Act (FAFSA Simplification)* in 2020.

The *FUTURE Act* became law in December 2019 and amended section 6103 of the Internal Revenue Code to allow the IRS to share taxpayer data directly with the Department. This allowed for individuals' income data to be imported automatically into the FAFSA instead of needing to be manually entered, streamlining the FAFSA completion process and reducing potential for errors.<sup>7</sup>

FAFSA Simplification became law in December 2020 as part of the *Consolidated Appropriations Act, 2021*.<sup>8</sup> The bill significantly reduced the number of questions on the FAFSA and changed the expected family contribution (EFC) to the student aid index (SAI). The SAI has fewer formula factors compared to the EFC and allows

<sup>3</sup> <https://fsapartners.ed.gov/knowledge-center/fsa-handbook/2024-2025/application-and-verification-guide/ch1-application-process-fafsa-isir>

<sup>4</sup> <https://www.usatoday.com/story/money/personalfinance/2023/08/07/what-is-fafsa/70462771007/>

<sup>5</sup> <https://studentaid.gov/articles/3-fafsa-deadlines/>

<sup>6</sup> [https://www.help.senate.gov/imo/media/doc/Alexander\\_Opening%20Statement\\_Time%20to%20Finish%20Fixing%20the%20FAFSA.pdf](https://www.help.senate.gov/imo/media/doc/Alexander_Opening%20Statement_Time%20to%20Finish%20Fixing%20the%20FAFSA.pdf)

<sup>7</sup> <https://www.nasfaa.org/news-item/20420/>

How the *FUTURE Act* Improves the Federal Financial Aid System

<sup>8</sup> Consolidated Appropriations Act, 2021, Pub. L. No. 116-620, §§ 701-706, 134 Stat. 1182, 3137-3201 (2020).

more automatic matching with IRS data, which enables students to predict their eligibility for aid more easily.<sup>9</sup>

As enacted, FAFSA Simplification was to take full effect on July 1, 2023, for the 2023–2024 award year.<sup>10</sup> In March 2022, Congress passed the *FAFSA Simplification Act Technical Corrections Act*, which pushed back the implementation deadline for FAFSA Simplification by one year so that the new FAFSA would be ready for the 2024–2025 award year.<sup>11</sup>

#### BIDEN-HARRIS ADMINISTRATION MISTAKES

FAFSA Simplification has been law during the entire Biden administration. The Department has had ample time to implement the new FAFSA yet instead has focused on other political agendas such as its student loan debt schemes. The Department’s distraction from its duties was seen as early as the appointment of Richard Cordray as chief operating officer for Federal Student Aid, which is the office within the Department that administers federal student loan programs. Mr. Cordray had no prior student aid experience, and yet his appointment was lauded as “a major win for progressives” because he had experience from his prior position with the Consumer Financial Protection Bureau, where he was involved in debt waivers, which could be used for attempts to waive student loan debt.<sup>12</sup> This lack of experience and prioritization led to a litany of mistakes.

#### *Lack of Communication Regarding the FAFSA Release Date*

In the *Higher Education Act* (as changed by FAFSA Simplification) there are two deadlines listed for the FAFSA release: October 1 to the “maximum extent practicable” and January 1 as the hard deadline.<sup>13</sup>

After the additional year extension was signed into law in March 2022, concerns began to arise as early as fall of 2022 that the Department would not meet the traditional deadline of October 2023 for the simplified FAFSA.<sup>14</sup> On March 21, 2023, the Department officially announced the simplified FAFSA would be delayed until “December” while still not confirming an official release date.<sup>15</sup> On November 15, 2023, the Department announced that the new FAFSA would be released on December 31, 2023, with ISIRs being processed beginning at the end of January 2024.<sup>16</sup> One month later, on December 15, the Department gave the caveat that the release would be a “soft launch.”<sup>17</sup>

<sup>9</sup> <https://crsreports.congress.gov/product/pdf/R/R46909>

<sup>10</sup> Supra note 13, § 701(b), at 3137.

<sup>11</sup> Consolidated Appropriations Act, 2022, Pub. L. No. 117–103 § 102, 136 Stat. 49, 819 (2022).

<sup>12</sup> <https://www.commondreams.org/news/2021/05/04/major-win-progressives-former-cfpb-chief-richard-cordray-tapped-oversee-federal>

<sup>13</sup> <https://www.govinfo.gov/content/pkg/COMPS-765/pdf/COMPS-765.pdf>, page 638/922

<sup>14</sup> <https://www.insidehighered.com/news/2022/10/10/groups-sound-alarm-about-fafsa-simplification>

<sup>15</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-03-21/implementing-2024-25-fafsa-process>

<sup>16</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-11-15/update-simplified-streamlined-redesigned-2024-25-fafsa-updated-jan-30-2024>

<sup>17</sup> [https://www.nasfaa.org/news-item/32375/ED\\_Announces\\_Plans\\_for\\_2024-25\\_FAFSA\\_Soft\\_Launch](https://www.nasfaa.org/news-item/32375/ED_Announces_Plans_for_2024-25_FAFSA_Soft_Launch)

*“Soft Launch” and Form Errors*

The Department officially opened the new FAFSA on December 30, 2023, in a “soft launch.” This “soft launch” met the letter of the January 1 statutory requirement, but the “soft launched” FAFSA was filled with errors and functionally was unusable. The glitches and errors included lengthy online waiting rooms, sporadic closures of the form, and software errors for applicants.<sup>18</sup> The litany of technical issues caused the Department to begin compiling a list of “Known Issues” with the newly launched FAFSA.<sup>19</sup> The listed issues varied in severity and scope, and the list would continue to grow for months.<sup>20</sup> The Department would recommend what it called workarounds for some issues, but some problems remained unresolved for months. If a student made an error on the form, he or she was not able to make corrections until the first half of April.<sup>21</sup> The Department previously had promised the ability to make corrections in March.<sup>22</sup>

*Formula Miscalculations*

Along with release date delays and errors, the Department simultaneously made multiple mistakes implementing a correct FAFSA formula. For example, by law, the Department is supposed to adjust FAFSA calculation tables every year for inflation.<sup>23</sup> Although high inflation dramatically affected number estimates, the Department refused to update its tables throughout all of 2023 although advocates pointed to the discrepancy as early as October 2022.<sup>24</sup> In late January 2024, the Department finally stated it would, in accordance with law, adjust the numbers for inflation.<sup>25</sup>

*Delayed and Incorrect ISIRs*

Completed FAFSAs are only the beginning of the process for the student. The completed FAFSAs then need to be processed into ISIRs and delivered to schools and states to begin full aid packaging. Delays at any point of the process create a ripple effect as ISIRs are unable to be delivered and schools are forced to compress their aid deadlines.<sup>26</sup>

Unfortunately, the ISIR process has also been fraught with errors and delays. On November 15, the Department promised that ISIRs would be delivered to colleges by “the end of January.”<sup>27</sup> On January 15, the Department pushed back ISIR delivery to the first

<sup>18</sup> <https://www.npr.org/2024/01/05/1222892834/fafsa-student-financial-aid-college>

<sup>19</sup> <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-issue-alerts>

<sup>20</sup> <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-issue-alerts>

<sup>21</sup> <https://www.highereddiver.com/news/fafsa-corrections-april-delay-education-department/711569/>

<sup>22</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-04/details-2024-25-fafsa-initial-institutional-student-information-records-isir-delivery-and-update-support-institutions-and-vendors>

<sup>23</sup> <https://www.cbc.com/2023/12/06/new-fafsa-may-launch-with-old-inflation-data-resulting-in-less-college-aid.html>

<sup>24</sup> <https://www.nasfaa.org/uploads/documents/2024-25DraftFAFSAcomments—30day-2.pdf>

<sup>25</sup> <https://www.npr.org/2024/01/23/1226406495/families-colleges-remain-limbo-education-department-promises-fix-fafsa-mistake>

<sup>26</sup> <https://www.sofi.com/article/student-news/fafsa-problems-causing-domino-effect-of-delay-for-students/>

<sup>27</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-11-15/update-simplified-streamlined-redesigned-2024-25-fafsa-updated-jan-30-2024>

half of March.<sup>28</sup> In early March, the Department announced that ISIRs would be sent in batches and slowly ramped up.<sup>29</sup>

Although ISIRs began to trickle out in March, the Department announced on March 22 that there was an error with calculations that affected over 200,000 ISIRs that had already been delivered to schools.<sup>30</sup> At the time of the announcement, this error affected at least 15 percent of all ISIRs sent out. The Department gave no timeline for when these erroneous ISIRs would be reprocessed.

On March 29, the Department released another statement on new errors relating to the IRS matching system that also affected ISIRs that already had been sent out.<sup>31</sup> The Department later estimated this error affected as many as 20 percent of ISIRs.<sup>32</sup> On April 1, the Department stated it would only reprocess erroneous ISIRs if the errors had reduced the amount of aid that a student was eligible to receive.<sup>33</sup> For the ISIRs the Department would not correct, the Department gave institutions the option to request accurate ISIRs on a case by case basis.<sup>34</sup> Schools and other higher education stakeholders protested this decision, leading the Department to reverse its decision three days later on April 4 and announce it would reprocess all erroneous ISIRs.<sup>35</sup> These mistakes and decision reversals hurt institutions' ability to fully trust the accuracy of Department's calculations.<sup>36</sup>

### *Currently Missing Functions*

There are still functions missing from the FAFSA, even as students and schools are about to begin the fall academic semester. If a student has a special circumstance that could not be reflected on the FAFSA (such as a significant change in income for the present year), institutions are able to make FAFSA corrections to reflect institution-specific special considerations for the student's aid package. This functionality was not available for institutions until July 2.<sup>37</sup>

Even now, institutions are only able to make these corrections on a manual basis. Batch institutional corrections are still unavailable, with a vague target of the "first half" of August for that restoration.<sup>38</sup> In previous years, the capability for institutions to make

<sup>28</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-01-30/2024-25-fafsa-student-aid-index-update-and-timeline-updated-march-14-2024>

<sup>29</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-04/details-2024-25-fafsa-initial-institutional-student-information-records-isir-delivery-and-update-support-institutions-and-vendors>

<sup>30</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-22/update-2024-25-fafsa-institutional-student-information-record-isir-delivery>

<sup>31</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-29/potential-issue-alert-reports-concerning-tax-data-and-2024-25-fafsa-form-updated-april-1-2024>

<sup>32</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-29/potential-issue-alert-reports-concerning-tax-data-and-2024-25-fafsa-form-updated-april-1-2024>

<sup>33</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-04-01/update-tax-data-received-fa-ddx-and-manually-entered-information>

<sup>34</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-04-01/update-tax-data-received-fa-ddx-and-manually-entered-information>

<sup>35</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-04-04/reprocessing-isirs-known-data-issues-and-resolution-access-issues-students-who-have-required-contributors-without-social-security-numbers>

<sup>36</sup> <https://www.washingtonpost.com/education/2024/03/29/fafsa-errors-college-financial-aid-records/>

<sup>37</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-05-10/2024-25-fafsa-update-processing-paper-fafsa-forms-implementing-school-initiated-corrections-and-temporary-changes-process-reporting-disbursements-provide-institutional-flexibility-updated-july>

<sup>38</sup> <https://www.nasfaa.org/news-item/33939/>

ED\_Batch\_Institutional\_Corrections\_Will\_Become\_Available\_in\_First\_Half\_of\_August



manual and batch corrections was immediately available when the FAFSA application went live. The National Association of Student Financial Aid Administrators issued a statement criticizing this delay in functionality and said, “The idea that some college students are hoping to begin classes in a matter of weeks and are still unable to get a final financial aid offer is unacceptable.”<sup>39</sup>

Additionally, processing of paper FAFSA applications did not begin until May 10, with full processing of paper forms still not complete.<sup>40</sup> On July 11, the Department announced they discovered new issues that would delay processing of paper FAFSAs indefinitely.<sup>41</sup> They also revealed that 20 percent of all submitted paper forms had errors and would need to be resubmitted before processing. The paper FAFSA is beneficial for students who may not have reliable access to broadband (such as rural or incarcerated students). The delayed processing continues to leave those students in limbo.

#### IMPACTS

The repeated delays and uncertainty have created myriad negative impacts. The National College Attainment Network estimated that in March, FAFSA completion rates were down nearly 40 percent compared to the same time in previous years.<sup>42</sup> This gap has shrunk, but still remains at nearly 12 percent as of June 21.<sup>43</sup> This percentage remains higher in lower-income regions, with some public high schools still seeing over 20 percent fewer FAFSA completions.<sup>44</sup> These low completion rates could correlate to as much as a 20 percent drop in enrollment for the fall.<sup>45</sup> The total effect of the enrollment decline may not be fully realized until the fall semester begins.<sup>46</sup> Some community colleges may face declines in enrollment similar to pandemic-driven declines.<sup>47</sup>

In addition, states, institutions, and nonprofits frequently use ISIRs to calculate non-federal aid packages. As the Department has pushed back both the release date of FAFSA and the deliverance of ISIRs, states and institutions have been forced to either push back their deadlines as well or to attempt complicated and burdensome workarounds. These problems were predicted as early as August 2023.<sup>48</sup> Longer deadlines mean more uncertainty for the insti-

<sup>39</sup> [https://www.nasfaa.org/statement\\_on\\_delayed\\_school\\_fafsa\\_corrections\\_processing](https://www.nasfaa.org/statement_on_delayed_school_fafsa_corrections_processing)

<sup>40</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-05-10/2024-25-fafsa-update-processing-paper-fafsa-forms-implementing-school-initiated-corrections-and-temporary-changes-process-reporting-disbursements-provide-institutional-flexibility-updated-july>

<sup>41</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-05-10/2024-25-fafsa-update-processing-paper-fafsa-forms-implementing-school-initiated-corrections-and-temporary-changes-process-reporting-disbursements-provide-institutional-flexibility-updated-july>

<sup>42</sup> <https://www.ncan.org/page/FAFSATracker>.

<sup>43</sup> <https://www.ncan.org/page/fafsatracker>.

<sup>44</sup> <https://tcf.org/content/report/fafsa-fallout-application-dropoff-threatening-to-widen-college-gaps/>.

<sup>45</sup> <https://www.cnbc.com/2024/03/19/fafsa-fiasco-may-result-in-fewer-students-going-to-college.html>.

<sup>46</sup> <https://www.nasfaa.org/news-item/33707/How-Many-Students-Did-We-Lose-Aid-Offices-Fear-Enrollment-Repercussions-After-Rocky-FAFSA-Rollout>.

<sup>47</sup> <https://www.brookings.edu/articles/fafsa-rollout-means-fewer-students-will-enroll-in-college-next-year/>.

<sup>48</sup> <https://www.highereddive.com/news/fafsa-deadline-december-delay-impacting-students-colleges/691813/>.

tutions, and many did not extend their deadlines in hopes of clearer communication or FAFSA resolution from the Department.<sup>49</sup>

#### 2025–2026 FAFSA SCHEDULE

Significant questions remain about the Department’s ability to meet the October 1, 2024, target for the 2025–2026 FAFSA. During his May hearing before this Committee, Secretary Cardona said that the Department’s “expectation” is to meet the October 1 target this year.<sup>50</sup>

The Department’s lack of communication this summer has been an eerie reprisal of the previous FAFSA cycle. Usually, the draft FAFSA is open for comment in February or March, to be ready and finalized by October. After months of silence, the Department instead announced on June 17 that it would not release a draft FAFSA for public comment.<sup>51</sup>

#### FAFSA DEADLINE ACT

On July 5, 2024, Representative Houchin introduced H.R. 8932, the *FAFSA Deadline Act*.

The *FAFSA Deadline Act* establishes October 1 as the hard deadline for release of the FAFSA each year. However, the current “flexibility” in statute allows the Department to not release the FAFSA until January 1, potentially causing confusion for schools and families during the October–December period. Last year the Department abused this statutory gap, leaving the release date in limbo until finally “soft launching” an error-filled form at the eleventh hour. The *FAFSA Deadline Act* will ensure that this statutory exploitation would not be possible and thereby that students have ample time to make informed decisions about their postsecondary education options and that institutions have time to process FAFSA information and send out accurate financial aid packages to prospective students.

Supporters of the bill include the American Association of Community Colleges, American Association of State Colleges and Universities, American Council on Education, Association of American Universities, Association of Public and Land-grant Universities, and the National Association of Independent Colleges and Universities.

#### CONCLUSION

October 1 is the traditional deadline for FAFSA to be released, and this gives students, families, and schools ample time to make informed decisions before beginning postsecondary education the following fall. Unfortunately, the Biden-HARRIS administration’s failure to properly implement the new, simplified FAFSA has thrown students, families, and schools into disarray. The *FAFSA Deadline Act* gives students, families, and schools much needed

<sup>49</sup> <https://www.insidehighered.com/news/admissions/traditional-age/2024/02/05/how-fafsa-delay-throwing-admission-timelines>.

<sup>50</sup> <https://www.insidehighered.com/news/government/politics-elections/2024/05/08/cardona-faces-against-house-republicans-fiery-hearing>.

<sup>51</sup> <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-06-17/details-related-2025-26-fafsa-form-launch-opportunities-engagement-and-additional-activities-2024-25-cycle>.

clarity and stability by ensuring the FAFSAs is released on October 1.

#### SUMMARY

The bill requires the FAFSA to be released by October 1 annually and requires the Secretary to testify by September 30 if the Department cannot meet the October deadline in any year.

#### H.R. 8932 SECTION-BY-SECTION SUMMARY

##### *Section 1: Short title*

##### *Section 2: Establishment of Earlier application processing cycle*

The Secretary must enable applicants to submit the FAFSA and initiate the processing of submitted FAFSAs no later than October 1 prior to the applicant's planned year of enrollment.

##### *Section 3: Certification and Testimony requirements*

The Secretary shall certify to the authorizing committees no later than September 1 if the Department will or will not meet the October 1 FAFSA release deadline. If the Department certifies it will miss the deadline, the Secretary is required to testify before the authorizing committees no later than September 30.

#### EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

#### APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 8932 requires the FAFSA to be released by October 1 annually and requires the Secretary to testify by September 30 if the Department cannot meet the October deadline in any year. H.R. 8932 applies solely to the Department of Education and therefore does not apply to the Legislative Branch.

#### UNFUNDED MANDATE STATEMENT

Pursuant to Section 423 of the Congressional Budget and Impoundment Control Act of 1974, Pub. L. No. 93–344 (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act of 1995, Pub. L. No. 104–4), the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office (CBO) pursuant to section 402 of the Congressional Budget and Impoundment Control Act of 1974.

#### EARMARK STATEMENT

H.R. 8932 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

ROLL CALL VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

Date: 7/10/2024

**COMMITTEE ON EDUCATION AND THE WORKFORCE RECORD OF COMMITTEE VOTE**

Roll Call: 1                      Bill: H.R. 8932                      Amendment Number: n/a

Disposition: Motion to Report H.R. 8932, as amended, passed by a Full Committee Roll

Call Vote (34 y – 6 n)

Sponsor/Amendment: Rep. Houchin /ANS\_001

| Name & State                | Aye | No | Not Voting | Name & State             | Aye | No | Not Voting |
|-----------------------------|-----|----|------------|--------------------------|-----|----|------------|
| Mrs. FOXX (NC) (Chairwoman) | X   |    |            | Mr. SCOTT (VA) (Ranking) |     | X  |            |
| Mr. WILSON (SC)             | X   |    |            | Mr. GRUJALVA (AZ)        |     |    | X          |
| Mr. THOMPSON (PA)           | X   |    |            | Mr. COURNTEY (CT)        | X   |    |            |
| Mr. WALBERG (MI)            | X   |    |            | Mr. SABLAN (MP)          |     | X  |            |
| Mr. GROTHMAN (WI)           | X   |    |            | Ms. WILSON (FL)          |     |    | X          |
| Ms. STEFANIK (NY)           | X   |    |            | Ms. BONAMICI (OR)        | X   |    |            |
| Mr. ALLEN (GA)              | X   |    |            | Mr. TAKANO (CA)          |     | X  |            |
| Mr. BANKS (IN)              | X   |    |            | Ms. ADAMS (NC)           | X   |    |            |
| Mr. COMER (KY)              | X   |    |            | Mr. DESAULNIER (CA)      |     | X  |            |
| Mr. SMUCKER (PA)            | X   |    |            | Mr. NORCROSS (NJ)        | X   |    |            |
| Mr. OWENS (UT)              | X   |    |            | Ms. JAYAPAL (WA)         |     |    | X          |
| Mr. GOOD (VA)               | X   |    |            | Ms. WILD (PA)            | X   |    |            |
| Mrs. MCCLAIN (MI)           | X   |    |            | Ms. MCBATH (GA)          | X   |    |            |
| Mrs. MILLER (IL)            | X   |    |            | Mrs. HAYES (CT)          | X   |    |            |
| Mrs. STEEL (CA)             | X   |    |            | Ms. OMAR (MN)            |     | X  |            |
| Mr. ESTES (KS)              | X   |    |            | Ms. STEVENS (MI)         |     | X  |            |
| Ms. LETLOW (LA)             | X   |    |            | Ms. LEGER FERNÁNDEZ (NM) |     |    | X          |
| Mr. KILEY (CA)              | X   |    |            | Ms. MANNING (NC)         | X   |    |            |
| Mr. BEAN (FL)               | X   |    |            | Mr. MRVAN (IN)           | X   |    |            |
| Mr. BURLISON (MO)           | X   |    |            | Mr. BOWMAN (NY)          |     |    | X          |
| Mr. MORAN (TX)              | X   |    |            |                          |     |    |            |
| Ms. CHAVEZ-DEREMER (OR)     | X   |    |            |                          |     |    |            |
| Mr. WILLIAMS (NY)           | X   |    |            |                          |     |    |            |
| Ms. HOUCHIN (IN)            | X   |    |            |                          |     |    |            |
| Mr. RULLI (OH)              | X   |    |            |                          |     |    |            |

TOTALS: Ayes: 34

Nos: 6

Not Voting: 5

Total: 45 / Quorum: / Report:

(25 R - 20 D)

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 8932 is to require the Department of Education to release the FAFSA by October 1 annually and requires the Secretary to testify by September 30 if the Department cannot meet the October deadline in any year in order to give students, families, and schools ample time to make informed decisions before beginning postsecondary education the following fall.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 8932 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the committee’s oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee adopts as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office.

| <b>H.R. 8932, FAFSA Deadline Act</b>   |                        |  |           |
|--|------------------------|--|-----------|
| As ordered reported by the House Committee on Education and the Workforce on July 10, 2024             |                        |  |           |
| By Fiscal Year, Millions of Dollars  | 2024                   | 2024-2029                                    | 2024-2034 |
| Direct Spending (Outlays)  | 0                      | 0  | 0         |
| Revenues   | 0                      | 0  | 0         |
| Increase or Decrease (-) in the Deficit  | 0                      | 0  | 0         |
| Spending Subject to Appropriation (Outlays)  | 0                      | 0  | 0         |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035? | No                     | Statutory pay-as-you-go procedures apply? No |           |
|  | <b>Mandate Effects</b> |  |           |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?  | No                     | Contains intergovernmental mandate?          | No        |
|  |                        | Contains private-sector mandate?             | No        |

H.R. 8932 would amend the Higher Education Act of 1965 to require the Department of Education to make the Free Application

for Federal Student Aid (FAFSA) available on October 1 of the year preceding the start of the applicant’s planned academic year. Under current law, the department must release the FAFSA by January 1, and to the extent practicable, by October 1. Students must complete the FAFSA to be eligible for federal financial aid.

In most years, the department makes the FAFSA available on October 1, the date that would be required under H.R. 8932, and CBO expects the department to do so in future years. Consequently, CBO expects that enacting H.R. 8932 would not change the number of students receiving federal financial aid and we estimate that enacting the bill would not affect the federal budget.

The CBO staff contact for this estimate is Garrett Quenneville. The estimate was reviewed by H.Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,  
*Director, Congressional Budget Office.*

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 8932. However, clause 3(d)(2)(B) of that Rule provides that this requirement does not apply when, as with the present report, the Committee adopts as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

**HIGHER EDUCATION ACT OF 1965**

\* \* \* \* \*

**TITLE IV—STUDENT ASSISTANCE**

\* \* \* \* \*

**PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS**

\* \* \* \* \*

**SEC. 483. FREE APPLICATION FOR FEDERAL STUDENT AID.**

(a) SIMPLIFIED APPLICATION FOR FEDERAL STUDENT FINANCIAL AID.—

(1) IN GENERAL.—Each individual seeking to apply for Federal financial aid under this title for award year 2024–2025 and any subsequent award year shall file a free application with the Secretary, known as the “Free Application for Federal Student Aid”, to determine eligibility for such aid, as described in paragraph (2), and in accordance with section 479.

## (2) FREE APPLICATION.—

(A) IN GENERAL.—The Secretary shall make available, for the purposes of paragraph (1), a free application to determine the eligibility of a student for Federal financial aid under this title.

## (B) INFORMATION REQUIRED BY THE APPLICANT.—

(i) IN GENERAL.—The applicant, and, if necessary, the parents or spouse of the applicant, shall provide the Secretary with the applicable information described in clause (ii) in order to be eligible for Federal financial aid under this title.

(ii) INFORMATION TO BE PROVIDED.—The information described in this clause is the following:

(I) Name.

(II) Contact information, including address, phone number, email address, or other electronic address.

(III) Social security number.

(IV) Date of birth.

(V) Marital status.

(VI) Citizenship status, including alien registration number, if applicable.

(VII) Sex.

(VIII) Race or ethnicity, using categories developed in consultation with the Bureau of the Census and the Director of the Institute of Education Sciences that, to the greatest extent practicable, separately capture the racial groups specified in the American Community Survey of the Bureau of the Census.

(IX) State of legal residence and date of residency.

(X) The following information on secondary school completion:

(aa) Name and location of the high school from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a regular high school diploma;

(bb) name and location of the entity from which the applicant received, or will receive prior to the period of enrollment for which aid is sought, a recognized equivalent of a regular high school diploma; or

(cc) if the applicant completed or will complete prior to the period of enrollment for which aid is sought, a secondary school education in a home school setting that is treated as a home school or private school under State law.

(XI) Name of each institution where the applicant intends to apply for enrollment or continue enrollment.

(XII) Year in school for period of enrollment for which aid is sought, including whether applicant



will have finished first bachelor's degree prior to the period of enrollment for which aid is sought.

(XIII) Whether one or both of the applicant's parents attended college.

(XIV) Any required asset information, unless exempt under section 479, in which the applicant shall indicate—

(aa) the annual amount of child support received, if applicable; and

(bb) all required asset information not described in item (aa).

(XV) The number of members of the applicant's family who will also be enrolled in an eligible institution of higher education on at least a half-time basis during the same enrollment period as the applicant.

(XVI) If the applicant meets any of the following designations:

(aa) Is an unaccompanied homeless youth, or is unaccompanied, at risk of homelessness, and self-supporting.

(bb) Is an emancipated minor.

(cc) Is in legal guardianship.

(dd) Has been a dependent ward of the court at any time since the applicant turned 13.

(ee) Has been in foster care at any time since the applicant turned 13.

(ff) Both parents have died since the applicant turned 13.

(gg) Is a veteran of the Armed Forces of the United States or is serving (on the date of the application) on active duty in the Armed Forces for other than training purposes.

(hh) Is under the age of 24 and has a dependent child or relative.

(ii) Does not have access to parental information due to an unusual circumstance described in section 480(d)(9).

(XVII) If the applicant receives or has received any of the following means-tested Federal benefits within the last two years:

(aa) The supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.).

(bb) The supplemental nutrition assistance program under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), a nutrition assistance program carried out under section 19 of such Act (7 U.S.C. 2028), or a supplemental nutrition assistance program carried out under section 3(c) of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes" (Public Law 95-348).

(cc) The free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

(dd) The program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(ee) The special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

(ff) The Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(gg) Federal housing assistance programs, including tenant-based assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), and public housing, as defined in section 3(b)(1) of such Act (42 U.S.C. 1437a(b)(1)).

(hh) Refundable credit for coverage under a qualified health plan under section 36B of the Internal Revenue Code of 1986.

(ii) The Earned Income Tax Credit under section 32 of the Internal Revenue Code of 1986.

(jj) Any other means-tested program determined by the Secretary to be appropriate.

(XVIII) If the applicant, or, if necessary, the parents or spouse of the applicant, reported receiving tax exempt payments from an individual retirement plan (as defined in section 7701 of the Internal Revenue Code of 1986) distribution or from pensions or annuities on a Federal tax return, information as to how much of the individual retirement plan distribution or pension or annuity disbursement was a qualified rollover.

(XIX) If the applicant, or, if necessary, the parents or spouse of the applicant, reported receiving foreign income that is exempt from Federal taxation or for which a permanent resident of the United States or United States citizen receives a foreign tax credit, information regarding the amount of such foreign income.

(XX) If the applicant, or, if applicable, the parents or spouse of the applicant, elects to report receiving college grant and scholarship aid included in gross income on a Federal tax return described in section 480(e)(2), information regarding the amount of such aid

(iii) PROHIBITION AGAINST REQUESTING INFORMATION MORE THAN ONCE.—Any information requested during the process of creating an account for completing the free application under this subsection, shall, to the

fullest extent possible, not be required a second time for the same award year, or in a duplicative manner, when completing such free application except in the case of an unusual situation, such as a temporary inability to access an account for completing such free application.

(iv) CHANGE IN FAMILY SIZE.—The Secretary shall provide a process by which an applicant shall confirm the accuracy of family size or update the family size with respect to such applicant for purposes of determining the need of such applicant for financial assistance under this title based on a change in family size from the tax year data used for such determination.

(v) SINGLE QUESTION FOR HOMELESS STATUS.—The Secretary shall ensure that—

(I) on the form developed under this section for which the information is applicable, there is a single, easily understood screening question to identify an applicant who is an unaccompanied homeless youth or is unaccompanied, at risk of homelessness, and self-supporting; and

(II) such question is distinct from those relating to an individual who does not have access to parental income due to an unusual circumstance.

(vi) ADJUSTMENTS.—The Secretary shall disclose on the FAFSA that the student may, on a case-by-case basis, qualify for an adjustment under section 479A to the cost of attendance or the values of the data items required to calculate the student's eligibility for a Federal Pell Grant or the student aid index for the student or parent.

(C) NOTIFICATION AND APPROVAL OF REQUEST FOR TAX RETURN INFORMATION.—The Secretary shall notify students and borrowers who wish to submit an application for Federal student financial aid under this title (as well as parents and spouses who must sign such an application or request or a Master Promissory Note on behalf of those students and borrowers) of the authority of the Secretary to require that such persons affirmatively approve that the Internal Revenue Service disclose their tax return information as described in section 494.

(D) AUTHORIZATIONS AVAILABLE TO THE APPLICANT.—

(i) AUTHORIZATION TO DISCLOSE FAFSA INFORMATION, INCLUDING A REDISCLOSURE OF TAX RETURN INFORMATION, TO INSTITUTION, STATE HIGHER EDUCATION AGENCY, AND DESIGNATED SCHOLARSHIP ORGANIZATIONS.—An applicant and, if necessary, the parents or spouse of the applicant shall provide the Secretary with authorization to disclose to an institution, State higher education agency, and scholarship organizations (designated (prior to the date of enactment of the FUTURE Act (Public Law 116–91)) by the Secretary under section 483(a)(3)(E)) as in effect on such date of enactment, as specified by the applicant and in accordance with section 494, in order for the applicant's eli-

gibility for Federal financial aid programs, State financial aid programs, institutional financial aid programs, and scholarship programs at scholarship organizations (designated (prior to the date of enactment of the FUTURE Act (Public Law 116–91)) by the Secretary under section 483(a)(3)(E)) as in effect on such date of enactment, to be determined, the following:

(I) Information described under section 6103(l)(13) of the Internal Revenue Code of 1986.

(II) All information provided by the applicant on the application described by this subsection to determine the applicant's eligibility for Federal financial aid under this title and for the application, award, and administration of such Federal financial aid, except the name of an institution to which an applicant selects to redisclose information shall not be disclosed to any other institution.

(ii) AUTHORIZATION TO DISCLOSE TO BENEFITS PROGRAMS.—An applicant and, if necessary, the parents or spouse of the applicant may provide the Secretary with authorization to disclose to applicable agencies that handle applications for means-tested Federal benefit programs, as defined in section 479(b)(4)(H), all information provided by the applicant on the application described by this subsection as well as such applicant's student aid index and scheduled Federal Pell Grant award to assist in identification, outreach and application efforts for the application, award, and administration of such means-tested Federal benefits programs, except such information shall not include Federal tax information as specified in section 6103(l)(13)(C) of the Internal Revenue Code of 1986.

(E) ACTION BY THE SECRETARY.—Upon receiving—

(i) an application under this section, the Secretary shall, as soon as practicable, perform the necessary functions with the Commissioner of Internal Revenue to calculate the applicant's student aid index and scheduled award for a Federal Pell Grant, if applicable, assuming full-time enrollment for an academic year, and note to the applicant the assumptions relationship to the scheduled award; and

(ii) an authorization under subparagraph (D), the Secretary shall, as soon as practicable, disclose the information described under such subparagraph, as specified by the applicant, in order for the applicant's eligibility for Federal, State, or institutional student financial aid programs or means-tested Federal benefit programs to be estimated or determined.

(F) WORK STUDY WAGES.—With respect to an applicant who has received income earned from work under part C of this title, the Secretary shall take the steps necessary to collect information on the amount of such income for the purposes of calculating such applicant's student aid index and scheduled award for a Federal Pell Grant, if applicable, without adding additional questions to the FAFSA, in-

cluding by collecting such information from institutions of higher education participating in work-study programs under part C of this title.

(3) INFORMATION TO BE SUPPLIED BY THE SECRETARY OF EDUCATION.—

(A) IN GENERAL.—Upon receiving and timely processing a free application that contains the information described in paragraph (2), the Secretary shall provide to the applicant the following information based on full-time attendance for an academic year:

(i) The estimated dollar amount of a Federal Pell Grant scheduled award for which the applicant is eligible for such award year.

(ii) Information on other types of Federal financial aid for which the applicant may be eligible (including situations in which the applicant could qualify for 150 percent of a scheduled Federal Pell Grant award and loans made under this title) and how the applicant can find additional information regarding such aid.

(iii) Consumer-tested information regarding each institution selected by the applicant in accordance with paragraph (2)(B)(ii)(XI), which may include the following:

(I) The following information, as collected through the Integrated Postsecondary Education Data System or a successor Federal data system as designated by the Secretary:

(aa) Net price by the income categories, as described under section 132(i)(6), and disaggregated by undergraduate and graduate programs, as applicable.

(bb) Graduation rate.

(cc) Retention rate.

(dd) Transfer rate, if available.

(II) Median debt of students upon completion.

(III) Institutional default rate, as calculated under section 435.

(iv) If the student is eligible for a student aid index of less than or equal to zero under section 473, a notification of the Federal means-tested benefits that they have not already indicated they receive, but for which they may be eligible, and relevant links and information on how to apply for such benefits.

(v) Information on education tax benefits described in paragraphs (1) and (2) of section 25A(a) of the Internal Revenue Code of 1986 or other applicable education tax benefits determined in consultation with the Secretary of the Treasury.

(vi) If the individual identified as a veteran, or as serving (on the date of the application) on active duty in the Armed Forces for other than training purposes, information on benefits administered by the Department of Veteran Affairs or Department of Defense, respectively.

(vii) If applicable, the applicant's current outstanding balance of loans under this title.

(B) INFORMATION PROVIDED TO THE STATE.—

(i) IN GENERAL.—The Secretary shall redisclose, with authorization from the applicant in accordance with paragraph (2)(D)(i), to a State higher education agency administering State-based financial aid and serving the applicant's State of residence, the information described under section 6103(l)(13) of the Internal Revenue Code of 1986 and information described in paragraph (2)(B) for the application, award, and administration of grants and other student financial aid provided directly from the State to be determined by such State. Such information shall include the list of institutions provided by the applicant on the application.

(ii) USE OF INFORMATION.—A State agency administering State-based financial aid—

(I) shall use the information provided under clause (i) solely for the application, award, and administration of State-based financial aid for which the applicant is eligible;

(II) may use the information, except for the information described under section 6103(l)(13) of the Internal Revenue Code of 1986, for State agency research that does not release any individually identifiable information on any applicant to promote college attendance, persistence, and completion;

(III) may use identifying information provided by student applicants on the FAFSA to determine whether or not a graduating secondary student has filed the application in coordination with local educational agencies or secondary schools to encourage students to complete the application; and

(IV) may share the application information, excluding the information described under section 6103(l)(13) of the Internal Revenue Code of 1986, with any other entity, only if such applicant provides explicit written consent of the applicant, except as provided in subclause (III).

(iii) LIMITATION ON CONSENT PROCESS.—A State may provide a consent process whereby an applicant may elect to share the information described in clause (i), except for the information described in section 6103(l)(13) of the Internal Revenue Code of 1986, through explicit written consent to Federal, State, or local government agencies or tribal organizations to assist such applicant in applying for and receiving Federal, State, or local government assistance, or tribal assistance for any component of the applicant's cost of attendance that may include financial assistance or non-monetary assistance.

(iv) PROHIBITION.—Any entity that receives applicant information under clause (iii) shall not sell,

share, or otherwise use applicant information other than for the purposes outlined in clause (iii).

(C) USE OF INFORMATION PROVIDED TO THE INSTITUTION.—An institution—

(i) shall use the information provided to it solely for the application, award, and administration of financial aid to the applicant;

(ii) may use the information provided, excluding the information described under section 6013(l)(13) of the Internal Revenue Code of 1986, for research that does not release any individually identifiable information on any applicant, to promote college attendance, persistence, and completion; and

(iii) shall not share such educational record information with any other entity without the explicit written consent of the applicant.

(D) PROHIBITION.—Any entity that receives applicant information under subparagraph (C)(iii) shall not sell, share, or otherwise use applicant information other than for the purposes outlined in subparagraph (C).

(E) FAFSA INFORMATION THAT INCLUDES TAX RETURN INFORMATION.—An applicant's FAFSA information that includes return or return information as described in section 6103(l)(13) of the Internal Revenue Code of 1986 may be disclosed or redisclosed (which shall include obtaining, sharing, or discussing such information) only in accordance with the procedures described in section 494.

(4) DEVELOPMENT OF FORM AND INFORMATION EXCHANGE.—Prior to the design of the free application under this subsection, the Secretary shall, to the maximum extent practicable, on an annual basis—

(A) consult with stakeholders to gather information about innovations and technology available to—

(i) ensure an efficient and effective process;

(ii) mitigate unintended consequences; and

(iii) determine the best practices for outreach to students and families during the transition to the streamlined process for the determination of Federal financial aid and Federal Pell Grant eligibility while reducing the data burden on applicants and families; and

(B) solicit public comments for the format of the free application that provides for adequate time to incorporate feedback prior to development of the application for the succeeding award year.

(5) NO ADDITIONAL INFORMATION REQUESTS PERMITTED.—In carrying out this subsection, the Secretary may not require additional information to be submitted by an applicant (or the parents or spouse of an applicant) for Federal financial aid through other requirements or reporting, except as required under a process or procedure exercised in accordance with the authority under section 479A.

(6) STATE-RUN PROGRAMS.—

(A) IN GENERAL.—The Secretary shall conduct outreach to States in order to research the benefits to students of States relying solely on the student aid index, scheduled

Pell Grant Award, or the financial data made available, upon authorization by the applicant, as a result of an application for aid under this subsection for determining the eligibility of the applicant for State provided financial aid.

(B) SECRETARIAL REVIEW.—If a State determines that there is a need for additional data elements beyond those provided pursuant to this subsection for determining the eligibility of an applicant for State provided financial aid, the State shall forward a list of those additional data elements determined necessary, but not provided by virtue of the application under this subsection, to the Secretary. The Secretary shall make readily available to the public through the Department’s websites and other means—

(i) a list of States that do not require additional financial information separate from the Free Application for Federal Student Aid and do not require asset information from students who qualify for the exemption from asset reporting under section 479 for the purposes of awarding State scholarships and grant aid;

(ii) a list of States that require asset information from students who qualify for the exemption from asset reporting under section 479 for the purposes of awarding State scholarships and grant aid;

(iii) a list of States that have indicated that they require additional financial information separate from the Free Application for Federal Student Aid for purposes of awarding State scholarships and grant aid; and

(iv) with the publication of the lists under this subparagraph, information about additional resources available to applicants, including links to such State websites.

(7) INSTITUTION-RUN FINANCIAL AID.—

(A) IN GENERAL.—The Secretary shall conduct outreach to institutions of higher education to describe the benefits to students of relying solely on the student aid index, scheduled Pell Grant Award, or the financial data made available, upon authorization for release by the applicant, as a result of an application for aid under this subsection for determining the eligibility of the applicant for institutional financial aid. The Secretary shall make readily available to the public through its websites and other means—

(i) a list of institutions that do not require additional financial information separate from the Free Application for Federal Student Aid and do not require asset information from students who qualify for the exemption from asset reporting under section 479 for the purpose of awarding institution-run financial aid;

(ii) a list of institutions that require asset information from students who qualify for the exemption from asset reporting under section 479 for the purpose of awarding institution-run financial aid;



(iii) a list of institutions that require additional financial information separate from the Free Application for Federal Student Aid for the purpose of awarding institution-run financial aid; and

(iv) with the publication of the list in clause (iii), information about additional resources available to applicants.

(8) SECURITY OF DATA.—The Secretary shall, in consultation with the Secretary of the Treasury—

(A) take all necessary steps to safeguard the data required to be transmitted for the purpose of this section between Federal agencies and to States and institutions of higher education and secure the transmittal of such data;

(B) provide guidance to States and institutions of higher education regarding their obligation to ensure the security of the data provided under this section and section 6103 of the Internal Revenue Code of 1986; and

(C) provide guidance on the implementation of section 6103 of the Internal Revenue Code of 1986, including how it intersects with the provisions of section 444 of the General Education Provisions Act (commonly known as the “Family Educational Rights and Privacy Act of 1974”), and any additional consent processes that may be available to applicants in accordance with the Internal Revenue Code of 1986 regarding sharing of Federal tax information.

(9) REPORT TO CONGRESS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of the FAFSA Simplification Act, the Secretary shall report to the authorizing committees on the progress of the Secretary in carrying out this subsection, including planning and stakeholder consultation. Such report shall include—

(i) benchmarks for implementation;

(ii) entities and organizations that the Secretary consulted;

(iii) system requirements for such implementation and how they will be addressed;

(iv) any areas of concern and potential problem issues uncovered that may hamper such implementation; and

(v) solutions determined to address such issues.

(B) UPDATES.—The Secretary shall provide updates to the authorizing committees—

(i) as to the progress and planning described in subparagraph (A) prior to implementation of the revisions to the Free Application for Federal Student Aid under this subsection not less often than quarterly; and

(ii) at least 6 months and 1 year after implementation of the revisions to the Free Application for Federal Student Aid.

(b) ADJUSTMENTS AND IMPROVEMENTS.—

(1) IN GENERAL.—The Secretary shall disclose in a consumer-tested format, upon completion of the Free Application for Federal Student Aid under this section, that the student may, on a case-by-case basis, qualify for an adjustment under section

479A to the cost of attendance or the values of the data items required to calculate the Federal Pell Grant or the need analysis for the student or parent. Such disclosure shall specify—

(A) examples of the special circumstances under which a student or family member may qualify for such adjustment or determination of independence; and

(B) additional information regarding the steps a student or family member may take in order to seek an adjustment under section 479A.

(2) CONSUMER TESTING.—

(A) IN GENERAL.—Not later than 9 months after the date of enactment of the FAFSA Simplification Act, the Secretary shall begin consumer testing the design of the Free Application for Federal Student Aid under this section with prospective first-generation college students, representatives of students (including low-income students, English learners, first-generation college students, adult students, veterans, servicemembers, and prospective students), students' families (including low-income families, families with English learners, families with first-generation college students, and families with prospective students), institutions of higher education, secondary school and postsecondary counselors, and nonprofit consumer groups.

(B) UPDATES.—For award year 2024–2025 and at least each fourth succeeding award year thereafter, the Secretary shall update the design of the Free Application for Federal Student Aid based on additional consumer testing with the populations described in subparagraph (A) in order to improve the usability and accessibility of the application.

(3) ACCESSIBILITY OF THE FAFSA.—The Secretary shall—

(A) in conjunction with the Bureau of the Census, determine the most common languages spoken by English learner students and their parents in the United States;

(B) develop and make publicly available versions of the Free Application for Federal Student Aid form in not fewer than 11 of the most common languages determined under subparagraph (A) and make such versions available and accessible to applicants in paper and electronic formats; and

(C) ensure that the Free Application for Federal Student Aid is available in formats accessible to individuals with disabilities and compliant with the most recent Web Content Accessibility Guidelines, or successor guidelines.

(4) REAPPLICATION IN A SUCCEEDING ACADEMIC YEAR.—In order to streamline an applicant's experience in applying for financial aid, the Secretary shall allow an applicant who electronically applies for financial assistance under this title for an academic year subsequent to an academic year for which such applicant applied for financial assistance under this title to automatically electronically import all of the applicant's (including parents', guardians', or spouses', as applicable) identifying, demographic, and school data from the previous applica-

tion and to update such information to reflect any circumstances that have changed.

(5) TECHNOLOGY ACCESSIBILITY.—The Secretary shall make the application under this section available through prevalent technology. Such technology shall, at a minimum, enable applicants to—

(A) save data; and

(B) submit the application under this title to the Secretary through such technology.

(6) VERIFICATION BURDEN.—The Secretary shall—

(A) to the maximum extent practicable, streamline and simplify the process of verification for applicants for Federal financial aid;

(B) in establishing policies and procedures to verify applicants' eligibility for Federal financial aid, consider—

(i) the burden placed on low-income applicants;

(ii) the risk to low-income applicants of failing to complete the application, enroll in college, or complete a postsecondary credential as a result of being selected for verification;

(iii) the effectiveness of the policies and procedures in preventing overpayments; and

(iv) the reasons for the source of any improper payments; and

(C) issue a public report not less often than annually that includes the number and percentage of applicants subject to verification, whether the applicants ultimately received Federal financial aid disbursements, the extent to which the student aid index changed for such applicants as a result of verification, and the extent to which such applicants' eligibility for Federal financial aid under this title changed.

(7) STUDIES.—The Secretary shall periodically conduct studies on—

(A) whether the Free Application for Federal Student Aid is a barrier to college enrollment by examining—

(i) the effect of States requiring additional information specified in clauses (ii) and (iii) of subsection (a)(6)(B) on the determination of State financial aid awards, including—

(I) how much financial aid awards would change if the additional information were not required; and

(II) the number of students who started but did not finish the Free Application for Federal Student Aid, compared to the baseline year of 2021; and

(ii) the number of students who—

(I) started a Free Application for Federal Student Aid but did not receive financial assistance under this title for the applicable academic year; and

(II) if available, did not enroll in an institution of higher education in the applicable academic year;

(B) the most common barriers faced by applicants in completing the Free Application for Federal Student Aid; and

(C) the most common reasons that students and families do not fill out the Free Applications for Federal Student Aid.

(c) DATA AND INFORMATION.—

(1) IN GENERAL.—The Secretary shall publish data in a publicly accessible manner—

(A) annually on the total number of Free Applications for Federal Student Aid submitted by application cycle, disaggregated by demographic characteristics, type of institution or institutions of higher education to which the applicant applied, the applicant's State of legal residence, and high school and public school district;

(B) quarterly on the total number of Free Applications for Federal Student Aid submitted by application cycle, disaggregated by type of institution or institutions of higher education to which the applicant applied, the applicant's State of legal residence, and high school and public school district;

(C) weekly on the total number of Free Applications for Federal Student Aid submitted, disaggregated by high school and public school district; and

(D) annually on the number of individuals who apply for federal financial aid pursuant to this section who indicated that they are—

- (i) an unaccompanied homeless youth or unaccompanied, at risk of homelessness, and self-supporting; or
- (ii) a foster care youth.

(2) CONTENTS.—The data described in paragraph (1)(D) with respect to homeless youth shall include, at a minimum, for each application cycle—

(A) the total number of all applicants who were determined to be individuals described in section 480(d)(8); and

(B) the number of applicants described in subparagraph (A), disaggregated—

- (i) by State; and
- (ii) by the sources of determination as described in section 479D(b).

(3) DATA SHARING.—The Secretary may enter into data sharing agreements with the appropriate Federal or State agencies to conduct outreach regarding, and connect applicants directly with, the means-tested Federal benefit programs described in subsection (a)(2)(B)(ii)(XVII) for which the applicants may be eligible.

(d) ENSURING FORM USABILITY.—

(1) SIGNATURE.—Notwithstanding any other provision of this title, the Secretary may permit the Free Application for Federal Student Aid to be submitted without a signature, if a signature is subsequently submitted by the applicant, or if the applicant uses an access device provided by the Secretary.

(2) FREE PREPARATION AUTHORIZED.—Notwithstanding any other provision of this title, an applicant may use a preparer for consultative or preparation services for the completion of

the Free Application for Federal Student Aid without charging a fee to the applicant if the preparer—

(A) includes, at the time the application is submitted to the Department, the name, address or employer's address, social security number or employer identification number, and organizational affiliation of the preparer on the applicant's form;

(B) is subject to the same penalties as an applicant for purposely giving false or misleading information in the application;

(C) clearly informs each individual upon initial contact, that the Free Application for Federal Student Aid is a free form that may be completed without professional assistance; and

(D) does not produce, use, or disseminate any other form for the purpose of applying for Federal financial aid other than the Free Application for Federal Student Aid developed by the Secretary under this section.

(3) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—The need for and eligibility of a student for financial assistance under this title may be determined only by using the Free Application for Federal Student Aid developed by the Secretary under this section. Such application shall be produced, distributed, and processed by the Secretary, and no parent or student shall be charged a fee by the Secretary, a contractor, a third-party servicer or private software provider, or any other public or private entity for the collection, processing, or delivery of Federal financial aid through the use of such application. No data collected on a form for which a fee is charged shall be used to complete the Free Application for Federal Student Aid prescribed under this section, except that a Federal or State income tax form prepared by a paid income tax preparer or preparer service for the primary purpose of filing a Federal or State income tax return may be used to complete the Free Application for Federal Student Aid prescribed under this section.

(4) APPLICATION PROCESSING CYCLE.—【The Secretary】

(A) *IN GENERAL.*—*The Secretary shall enable applicants to submit a Free Application for Federal Student Aid developed under this section and initiate the processing of such application, 【not later than January 1 of the applicant's planned year of enrollment, to the maximum extent practicable, on or around October 1 prior to the applicant's planned year of enrollment】 not later than October 1 prior to the applicant's planned year of enrollment.*

(B) *CERTIFICATION AND TESTIMONY REQUIREMENTS.*—*The Secretary shall, with respect to each application processing cycle, prior to the initiation of such processing cycle—*

*(i) on a date that is not later than September 1—*

*(I) certify to the authorizing committees that the Department will meet the October 1 deadline specified in subparagraph (A) for such processing cycle;*  
*or*

*(II) certify to such committees that the Department will not meet such deadline; and*

*(ii) in the case of a certification described in clause (i)(II), on a date that is not later than September 30, testify before the authorizing committees on—*

*(I) the anticipated failure to meet such deadline;*  
*and*

*(II) the financial impact such failure will have on students and families.*

(5) EARLY ESTIMATES.—The Secretary shall maintain an electronic method for applicants to enter income and family size information to calculate a non-binding estimate of the applicant's Federal financial aid available under this title and shall place such calculator on a prominent location at the beginning of the Free Application for Federal Student Aid.

(6) ADDITIONAL FORMS.—Notwithstanding any other provision of this title, an institution may not condition the packaging or receipt of Federal financial aid on the completion of additional requests for financial information beyond the Free Application for Federal Student Aid, unless such information is required for verification, a determination of independence, or professional judgement.

\* \* \* \* \*

## MINORITY VIEWS

### INTRODUCTION

H.R. 8932, the *FAFSA Deadline Act*, amends the *Higher Education Act of 1965* (HEA) by moving the statutory requirement for launching the Free Application for Federal Student Aid (FAFSA) from January 1 ahead three months to October 1 beginning this calendar year. If enacted, H.R. 8932 would force the Department of Education (Department) to prioritize speed over accuracy when deploying the 2025–2026 FAFSA form, which could further erode trust between the Department, students, and academic institutions if the application and process are riddled with technical errors. H.R. 8932 does nothing to meaningfully address the issues that arose during this year’s challenging FAFSA process.

### A CHALLENGING FAFSA SIMPLIFICATION ACT IMPLEMENTATION

In December 2020, Congress passed the bipartisan *FAFSA Simplification Act* to streamline the FAFSA process, address longstanding concerns with the federal student aid award process, and strengthen access to the Pell Grant.<sup>1</sup> The *FAFSA Simplification Act* was a sweeping reform of the federal student aid process that targeted the historical complexities and lack of transparency associated with the FAFSA form.<sup>2</sup> It made substantial changes to benefit students, foremost among them being changes to the needs analysis formula to determine eligibility for federal student aid. These changes ensured that students from the lowest income families will automatically qualify for the maximum Pell Grant award and institutions will receive better information to target their campus-based aid programs. The *FAFSA Simplification Act* also significantly reduced the number of questions on the FAFSA, with a goal to decrease the time it takes students and families to complete the application. Overall, this sweeping FAFSA overhaul is expected to result in nearly 1.5 million more students receiving the maximum Pell Grant and over 600,000 more eligible Pell Grant recipients overall.<sup>3</sup>

The *FAFSA Simplification Act* had an original effective date of July 1, 2023. While several provisions of the *FAFSA Simplification*

<sup>1</sup> Consolidated Appropriations Act, Pub. L. 116–260, tit. VII div. FF, §1A 701, 134 Stat. 3137, 1958 (2021).

<sup>2</sup> Benjamin Collins, Cassandra Dortch, The FAFSA Simplification Act, Cong. Rsch. Serv. (Aug. 4, 2022), <https://www.crs.gov/Reports/R46909>.

<sup>3</sup> Press Release, U.S. Dep’t of Education, U.S. Department of Education Releases New Data Highlighting How the Simplified, Streamlined, and Redesigned Better FAFSA Form Will Help Deliver Maximum Pell Grants to 1.5 Million More Students (November 15, 2023), <https://www.ed.gov/news/press-releases/us-department-education-releases-new-data-highlighting-how-simplified-streamlined-and-redesigned-better-fafsa-form-will-help-deliver-maximum-pell-grants-15-million-more-students>.

Act were implemented on a timeline to meet that date,<sup>4</sup> the *FAFSA Simplification Act Technical Correction Act* pushed the effective date of the full slate of FAFSA changes back to July 1, 2024<sup>5</sup> per requests from the Department.<sup>6</sup> In addition to this one-year implementation delay, the Department announced in March 2023 that the FAFSA form would not be launched on the historical date of October 1st.<sup>7</sup>

The FAFSA form as revised by the *FAFSA Simplification Act*, officially soft-launched on December 30, 2023 and was only online for a few hours each day until January 8, 2024. After January 8, the form was fully online for students. Around this time, the Department also announced that although students could submit their applications, the technology to process those applications would not be available until March 2024. The soft-launch and processing delays created a lot of confusion and frustration for students and higher education stakeholders, since the Department did not provide any indication that FAFSA processing would not be fully functional.<sup>8</sup> Since December, the FAFSA process has been riddled with technical issues related to both submitting forms and processing them on the back end. For example, students in households with mixed immigration statuses faced issues with the process—from their contributors not being able to create an FSA ID to a poorly-designed verification process.<sup>9</sup> Further, students who are experiencing homelessness have had ongoing issues with submitting documentation to verify they are an unaccompanied homeless youth.<sup>10</sup> Due to such significant issues, students and families have expressed feeling stressed and reconsidered going to college as a path, and institutions have expressed concerns about the Department's transparency and credibility with the student aid process.<sup>11</sup> Clearly, the Department must take care to swiftly address the community's concerns and produce a 2025–2026 FAFSA that is fully functional. However, H.R. 8932 would not assist the Department with that goal.

H.R. 8932 would amend Sec. 483(d)(4) of the Higher Education Act to establish an earlier application processing cycle by requiring the Secretary to fully launch the form and initiate processing by October 1, instead of the current requirement of January 1. Current statute encourages the Secretary to launch the form on Octo-

<sup>4</sup> Several provisions of the *FAFSA Simplification Act* were implemented early with the 2023–2024 FAFSA form. For details on those provisions, see Collins, *supra* note 1.

<sup>5</sup> Consolidated Appropriations Act, 2022, H.R. 2471, 117th Cong., Division R—*FAFSA Simplification Act Technical Corrections Act*(2021)

<sup>6</sup> Michael Stratford, *Education Department delays major student aid overhaul*, Politico (June 11, 2021), <https://www.politico.com/news/2021/06/11/education-department-deadline-college-aid-493584>.

<sup>7</sup> Katherine Knott, *FAFSA Launch Officially Delayed*, Inside Higher Ed (Mar. 22, 2023), <https://www.insidehighered.com/news/2023/03/23/new-fafsa-wont-launch-until-december>.

<sup>8</sup> MorraLee Keller, *Better FAFSA Soft Launch Harder than Expected*, Nat'l College Attainment Network (Jan. 8, 2024), <https://www.ncan.org/news/661882/Better-FAFSA-Soft-Launch-Harder-than-Expected.htm>.

<sup>9</sup> Sayda Martinez-Alvarado, *How Students From Mixed-Status Families Are Doubly Damaged by the FAFSA Mess*, EdTrust (June 12, 2024), <https://edtrust.org/the-equity-line/students-mixed-status-families-doubly-damaged-fafsa-mess/>.

<sup>10</sup> The Times Editorial Board, Editorial: *FAFSA is a nightmare for homeless students. Why haven't we fixed it?*, LA Times (July 3, 2024), <https://www.latimes.com/opinion/story/2024-07-03/editorial-fafsa-is-a-nightmare-for-homeless-students-why-havent-we-fixed-it>.

<sup>11</sup> 1AKatherine Knott, *After FAFSA Issues, Education Department Faces 'Crisis of Credibility'*, Inside Higher Ed (Apr. 8, 2024), <https://www.insidehighered.com/news/government/student-aid-policy/2024/04/08/after-fafsa-issues-education-department-faces-crisis>.



ber 1 “to the maximum extent practicable” but no later than January 1.<sup>12</sup> H.R. 8932 would permanently move the statutory requirement for releasing the FAFSA form up by three months, effective this year, without providing any flexibility. Although H.R. 8932 would address the timeliness of this year’s FAFSA, it blatantly disregards the current realities and need to address outstanding technical issues.

#### REBUILDING TRUST WITH STUDENTS AND COLLEGES

This year’s ongoing FAFSA issues have caused significant confusion and frustration for students and families that has led to an erosion of trust in the Department’s management of federal student aid.<sup>13</sup> Thus, the Department has a responsibility to rebuild trust with students, families, and institutions of higher education and ensure that affordable higher education is in reach for students. Despite the *FAFSA Simplification Act’s* promise of a streamlined FAFSA process and more generous awards, “students and families have been met with glitches and delays” and at some points there were “entire groups of students blocked from even completing the form.”<sup>14</sup> There is serious worry that these problems—even if some have been resolved—will have both short- and long-term consequences for college enrollment and affordability, particularly for low-income students and students of color.<sup>15</sup>

#### *Impact on Student Enrollment*

This year’s FAFSA completion rates are significantly lower than previous years. As of July 9, the Department reports that 12.2 million FAFSA forms have been submitted and processed.<sup>16</sup> According to the National College Attainment Network’s (NCAN) FAFSA Tracker, as of June 28, 46.0% of high school seniors have completed the FAFSA, which is 11.6% fewer students than this time last year. It is particularly alarming that students from underrepresented and underresourced communities are experiencing steeper declines in FAFSA completion this year. NCAN reports that only 44.9% of students from low-income high schools have completed the form (a 13.4% decline from this time last year).<sup>17</sup> Only 44.7% of students from high-minority high schools have completed the form (a 13.3% decline from this time last year).<sup>18</sup> According to The Century Foundation, this year’s FAFSA completion rates for “communities with a high share of residents living in poverty, non-college adults, or Black or Latino residents” are “roughly 20 percent lower than those

<sup>12</sup> 20 U.S.C. 1090

<sup>13</sup> Zachary Schermele, Alia Wong, *Colleges to Education Department: We don’t have enough time to process FAFSA information*, USA Today (Mar. 29, 2024), <https://www.usatoday.com/story/news/education/2024/03/29/fafsa-data-colleges-education-department-letter/73144465007/>.

<sup>14</sup> Justin Draeger, Ted Mitchell, *Every FAFSA Delay Puts College Further Out of Reach*, NY Times (Feb. 8, 2024), <https://www.nytimes.com/2024/02/08/opinion/fafsa-delay-college-access.html>.

<sup>15</sup> Peter Granville, *FAFSA Fallout: Application Dropoff Threatening to Widen College Gaps*, The Century Foundation (June 27, 2024), <https://tcf.org/content/report/fafsa-fallout-application-dropoff-threatening-to-widen-college-gaps/>.

<sup>16</sup> 2024–25 FAFSA Updates, U.S. Dep’t of Educ., <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-updates#fafsastatus>.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

in communities with a low share of these groups.”<sup>19</sup> Further, a FAFSA submitted this year by a student in these same communities is “nearly twice as likely to be incomplete compared to a submitted FAFSA form from a community with a low share of these groups.”<sup>20</sup> This incompleteness is directly tied to delays in implementing crucial processing modules that some members of these communities disproportionately rely on.<sup>21</sup>

#### *Addressing Technical Challenges to Improve FAFSA*

On June 10, 2024, NCAN and the National Association of Student Financial Aid Administrators (NASFAA), along with 23 other organizations, sent a letter to Secretary Cardona expressing their concern over the 2025–2026 FAFSA rollout.<sup>22</sup> The organizations urged the Department to either commit to an October 1 launch date this year or “communicate a timeline for the complete FAFSA launch as soon as possible.”<sup>23</sup> In response to concerns like these, Secretary Cardona has emphasized that the Department is working diligently towards an October 1 release date for the 2025–2026 FAFSA.<sup>24</sup> However, there are still reasonable roadblocks that could contribute to a necessary delay in launching this year’s FAFSA.

The primary driver for potential delays is the long list of technical changes that the Department needs to implement to ensure the form is functional and processing runs as intended. Although the Department has found temporary workarounds for many of this year’s technical issues,<sup>25</sup> those issues need to be permanently resolved before launching the next form to provide an improved student and institutional experience. If the Department is forced to launch the form on October 1, even if technical issues are not resolved, students and institutions could experience the same challenges as this year, which will continue to erode their trust with the Department and impact student enrollment. Forcing the FAFSA to launch on October 1, even if the form is broken, will merely lead to more stress, confusion, and frustration for students, families, institutions, and organizations that support FAFSA completion. Ultimately, a well-functioning FAFSA form is more important than a precise October 1 launch date.

Unfortunately, H.R. 8932 could make it very challenging to promote a functioning aid process and clear stakeholder communication. In response to the Committee’s consideration of H.R. 8932, both NCAN and NASFAA expressed significant concern with a statutory mandate to launch the FAFSA on October 1. In their statement, NASFAA argues that an October 1 deadline “does not guarantee a fully functioning form, and may in fact work against

<sup>19</sup> Granville, *supra* note 15

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> Letter from Nat’l Assoc. of Student Financial Aid Administrators to U.S. Dep’t of Edu. Secretary Miguel Cardona (June 10, 2024), <https://www.nasfaa.org/uploads/documents/FAFSAReleaseCoalitionLetter25-26.pdf>.

<sup>23</sup> *Id.* at 1.

<sup>24</sup> Liam Knox, ‘Won’t Get Fooled Again’ on FAFSA, Inside Higher Ed (June 24, 2024), <https://www.insidehighered.com/news/government/student-aid-policy/2024/06/24/next-years-fafsa-already-rails>.

<sup>25</sup> For example, in response to the roadblocks experienced by students from mixed-status families, the Department provided workarounds for each specific issue with the form, such that students and their contributors can now fully complete the form and it can be processed accordingly. For a full list of workarounds, see U.S. Dep’t of Educ., *supra* note 16.

efforts to release a product that has been tested and runs smoothly.”<sup>26</sup> NASFAA also emphasized that “students must be able to trust that the financial aid process will function as intended and that they will receive clear communication along the way.”<sup>27</sup> NCAN stated “this bill could have the unintended consequences of incentivizing FSA to rush out a flawed FAFSA form that needs to be corrected, further delay a smoothly functioning system, and further frustrate students and families.”<sup>28</sup>

Opposition to H.R. 8932 is not a vote for a rocky FAFSA process or no accountability for the Department’s poor FAFSA rollout. Rather, it is a vote against forcing the Department to release a broken FAFSA on an arbitrary date with little notice, as opposed to allowing the Department to have the expected amount of time to produce a functional FAFSA. If the Department’s experts determine that the strongest 2025–2026 FAFSA rollout is a delayed beyond October 1, we will demand the Department provide students, families, institutions, and Congress with much better communication than it did during the 2024–2025 FAFSA process.

REPUBLICANS ARE POLITICIZING FAFSA INSTEAD OF SUPPORTING  
FEDERAL STUDENT AID

It is important to understand the context in which the Committee considered H.R. 8932: less than three months before the proposed October 1 deadline, we are voting for a statutory deadline on FAFSA’s release without providing any additional resources for the Department or making meaningful changes to the implementation process. H.R. 8932 is consistent with the Majority’s approach to higher education; House Republicans continue to signal their disinterest in prioritizing affordable higher education through their legislation. As this Committee was debating H.R. 8932, the House Committee on Appropriations reported an FY2025 Labor, Health and Human Services, Education and Other Services (L–HHS) appropriations bill that would slash funding across higher education.<sup>29</sup>

Despite pleas from the Department,<sup>30</sup> Congressional Democrats,<sup>31</sup> and higher education advocates,<sup>32</sup> House Republicans refused to provide adequate funding to the Office of Federal Student Aid (FSA) to support FAFSA implementation, a smooth return to

<sup>26</sup> Press Release. Nat’l Assoc. of Student Financial Aid Administrators, NASFAA Statement on FAFSA Deadline Act (July 10, 2024), <https://www.nasfaa.org/nasfaa-statement-on-fafsa-deadline-act>.

<sup>27</sup> *Id.*

<sup>28</sup> Catherine Brown, *The FAFSA Deadline Act Proposed in Congress*, Nat’l College Attainment Network (July 9, 2024), <https://www.ncan.org/news/676934/The-FAFSA-Deadline-Act.htm>.

<sup>29</sup> FY25 L–HHS Appropriations Act as passed in House Cmte. on Appropriations, 142 (July 10, 2024), <https://docs.house.gov/meetings/AP/AP00/20240710/117503/BILLS-118-FC-AP-FY2025-AP00-FY25LHHSFullCommitteeMark.pdf>.

<sup>30</sup> U.S. Dep’t of Educ., Student Aid Overview, Fiscal Year 2025 Budget Proposal, <https://www2.ed.gov/about/overview/budget/budget25/justifications/r-saa.pdf> (last visited July 16, 2024).

<sup>31</sup> Rep. Suzanne Bonamici, Dear Colleague to Support FY25 Funding for the Student Aid Administration, <https://e-dearcolleague.house.gov/Home/Preview?DCID=422503> (last accessed July 16, 2024).

<sup>32</sup> Letter from the Student Aid Alliance to OMB Director Shalanda Young and U.S. Dep’t of Educ. Secretary Miguel Cardona (Sept. 29, 2023), <https://www.naicu.edu/getmedia/98d004fe-4d3c-448c-b4b7-40a5946b84c1/09292023-Student-Aid-Alliance-FY25-Budget-Letter-to-Administration.pdf>; Jared Bass, Funding for Federal Student Aid: A *Defining Moment for Higher Education Programs*, Center for American Progress (Mar. 28, 2023), <https://www.americanprogress.org/article/funding-for-federal-student-aid-a-defining-moment-for-higher-education-programs/>.

student loan repayments, and loan servicing improvements. Congress has a duty to properly fund the work of FSA to support the ability of over 17 million students to attend college every year. Further, House Republicans proposed to eliminate funding for the Child Care Means Parents in School (C-CAMPIS) program and drastically cut funding for both Federal Work Study and Federal Supplemental Education Opportunity Grants (FSEOG)<sup>33</sup>—all programs that help low-income students afford higher education. Instead of bolstering programs to support students in their postsecondary journeys, House Republicans continue to politicize federal student aid through bills like H.R. 8932.

#### CONCLUSION

H.R. 8932 is a half-hearted attempt to solve problems with this year’s FAFSA process without addressing any of the root issues responsible for the problems. While Committee Republicans argue this legislation provides transparency for students, H.R. 8932 merely sets the Department up for failure by forcing them to prioritize an October 1 deadline rather than a fully functioning FAFSA process. For the reasons stated above, we urge the House of Representatives to oppose H.R. 8932 in its current form.

ROBERT C. “BOBBY” SCOTT,  
*Ranking Member.*  
 MARK DESAULNIER,  
 GREGORIO KILILI CAMACHO  
 SABLAN,  
*Members of Congress.*

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<sup>33</sup> Rep. Rosa DeLauro, Summary of Republican Fiscal Year 2025 Bill for Labor, Health and Human Services, and Education, and Related Agencies, 6–7 (June 27, 2024), <https://democrats-appropriations.house.gov/sites/evo-subsites/democrats-appropriations.house.gov/files/evo-media-document/Labor,%20Health%20and%20Human%20Services,%20Education,%20and%20Related%20Agencies%20Summary.pdf>.