

NASFAA's **quicksansurvey** *December 1, 2009* **results**

Verification Survey

NASFAA Survey Shows Administrative Burden Increasing for Financial Aid Offices

More than three in four college financial aid offices reported an increase in the number of cases where they must verify information on the Free Application for Federal Student Aid (FAFSA), according to NASFAA's latest Quick-Scan Survey. The increase in the number of verification cases was likely to affect two-year colleges and low-income students.

"The increases in verification cases couldn't come at a worse time," NASFAA Interim President and CEO Joan Crissman said. "Many financial aid offices are already stretched thin trying to handle record numbers of financial aid applications, awards and appeals at the same time they are working to comply with a host of new requirements. In addition, the increase in verification means that more students have to overcome an additional hurdle to access student aid funds."

Seventy-eight percent of the 729 financial aid offices that completed the survey between Oct. 19 and Oct. 23 reported an increase in the number of aid applicants selected for verification by the U.S. Department of Education in the 2009-10 award year compared to the previous year. Thirty-one percent reported an increase below 10 percent while 22 percent reported an increase between 11-20 percent. Twelve percent reported an increase of more than 30 percent and 17 percent reported no increase or a decrease. NASFAA conducted the survey after hearing anecdotal evidence that the numbers of students chosen for verification had been increasing for the last two years.

Greater Burden for Low-Income Students and Schools with Fewer Resources

The majority of student aid applicants selected for verification have incomes low enough to make them eligible for Pell Grants. Fifty-seven percent of schools said that Pell-eligible students make up more than 41 percent of their verification pool. NASFAA members have expressed concern that requiring large numbers of students to go through an extensive verification process can reduce the odds of the students completing the process and receiving aid in a timely manner.

In addition, two-year schools seem to be bearing a larger share of the verification burden with 19 percent saying they're seeing a verification increase of more than 30 percent compared to only 9.3 percent for 4-year institutions. Two year schools usually serve a larger portion of low-income students and are less likely to have additional institutional resources to handle increases in administrative burden. Financial aid administrators have expressed concern that the verification process is complicated and difficult to understand. In addition, much of the information that institutions are required to verify are unverifiable, according to a recent report issued by the President's Council of Economic Advisers (CEA) and the National Economic Council (NEC).

Some schools have had to take action to cope with the increase in verification cases this year. Nearly half (49 percent) said they have implemented the 30 percent cap on completing verification for student aid applicants and increased the amount of time expected to complete verification. Just over 13 percent of all survey respondents said that they have reallocated staff resources to handle the increase. Only 32.5 percent of respondents said they have not taken any action to handle the increase.

Improving Verification

The Department of Education recently began a new round of negotiated rulemaking to explore ways to improve federal student aid program integrity. Verification is one of the issues it is revisiting in order to determine how the current verification regulations can be modified to align with recent changes the Department had made to simplify the student aid application. During the first negotiated rulemaking meeting, the Department said that simplifying the FAFSA and permitting data importation from the IRS provide an opportunity to reduce the verification burden on institutions.

Background on Verification

Under current regulations, an institution is required to verify the application information of no more than 30 percent of its total number of applicants for federal student aid in an award year that are selected by the Department of Education based on parameters designed to ensure that Federal aid applicants have accurately submitted the information used to determine their eligibility for financial aid. An institution may only include those applicants selected for verification by the Secretary in its calculation of 30 percent of total applicants.

Complying with the verification provisions does not reduce or remove the requirement that an institution resolve conflicting information before it disburses aid. An institution may choose to verify more than 30 percent of its applicants.

An institution must require an applicant selected for verification to submit acceptable documentation that will verify or update the following information used to determine the applicant's EFC:

1. Adjusted gross income (AGI) for the base year if base year data was used in determining eligibility, or income earned from work, for a non-tax filer.
2. U.S. income tax paid for the base year if base year data was used in determining eligibility.
3. The aggregate number of family members in the household.
4. The number of family members in the household who are enrolled as at least halftime students in postsecondary educational institutions if that number is greater than one.
5. Untaxed income and benefits for the base year if base year data was used in determining eligibility.

Survey Questions and Responses

Demographics:

Less than 2-year	28	3%
2-year	281	28%
4-year only	116	12%
4-year & above	493	50%
Graduate/Professional only	55	6%

What percentage increase have you seen in the number of Title IV applicants selected for verification by the Central Processing System (CPS) from the 2008-09 award year to the 2009-10 award year?

0-10 percent:	226/723	31.3%
11-20 percent:	159/723	22%
21-30 percent:	97/723	13.4%
31-40 percent:	53/723	7.3%
41 or higher:	34/723	4.7%
No increase or decrease:	107/723	14.8%

What percentage of your institution's Title IV applicants selected for verification by the CPS is Pell-eligible?

0-10:	55/723	7.6%
11-20:	58/723	8%
21-30:	91/723	12.6%
31-40:	91/723	12.6%
41 or higher:	353/723	57%

Has your institution taken any of the following actions to address an increase in Title IV applicants selected for verification by the CPS? Mark all applicable responses.

• Implemented the 30 percent cap on completing verification for Title IV applicants selected by the CPS	31/723	4.3%
• Implemented the 30 percent cap on completing verification for Title IV applicants selected by the CPS, Increased the amount of time expected to complete verification:	238/723	32.9%
• Reallocated staff resources:	96/723	13.3%
• Schools that haven't taken any action:	235/723	32.5%

FOR 2-YEAR SCHOOLS

• 0-10 percent:	56/210	26.7%
• 11-20 percent:	50/210	23.8%
• 21-30 percent:	33/210	15.7%
• 31-40 percent:	22/210	10.5%
• 41 or higher:	17/210	8.1%
• No increase or decrease:	21/723	2.9%

FOR 4-YEAR & ABOVE SCHOOLS

• 0-10 percent:	150/450	33.3%
• 11-20 percent:	101/450	22.4%
• 21-30 percent:	59/450	13.1%
• 31-40 percent:	28/450	6.2%
• 41 or higher:	14/450	3.1%
• No increase or decrease:	65/450	14.4%