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HOUSE OF REPRESENTATIVES
COMMONWEALTH *of* PENNSYLVANIA

House Democratic Policy Committee Hearing

FAFSA Changes

Wednesday, February 21, 2024 | 11:00 a.m.

Representative Melissa Cerrato

OPENING REMARKS

11:00 a.m. Rep. Melissa Cerrato (D-Montgomery)

PANEL ONE

11:05 a.m. Patrick Brett, Guidance Dept. Chair, Future Plans Counselor
North Penn High School

Q & A with Legislators

PANEL TWO

11:35 a.m. Diona Brown, Director of School Services
Pennsylvania Higher Education Assistance Agency

Q & A with Legislators

Impact of FAFSA Changes on Students and Families

Patrick Brett, MS. Ed.

Future Plans Counselor, North Penn High School/North Penn School District

School Counselor, 2009 - Present

Future Plans Counselor, 2015 - Present

Guidance Department Chair, 2021 - Present

I work with students and families through the college application process. I provide financial aid resources to the students and families.

The Free Application for Federal Student Aid (FAFSA) is a vital tool for determining financial aid eligibility for students nationwide. However, changes made for the 2024-2025 school year have raised concerns regarding their impact on students and their families. I would like to take this opportunity to address key changes to the FAFSA process. Specifically, potential consequences, the unnecessary stress on the students and families, and urging policy makers to reconsider certain aspects.

The decision to shift the opening of FAFSA applications from October 1st to December 31st disrupts the traditional timeline for students and families. It inhibits students' ability to receive timely financial aid packages, affecting their capacity to make informed decisions about their respective college choices.

Expanding the definition of contributors to include anyone providing information introduces hiccups and potential barriers. This might discourage individuals from providing necessary details, impacting the accuracy of financial aid determinations. Policy makers should reconsider this broadened scope aligns with the intended goal. Additionally, requiring explicit consent for eligibility adds complexity for students and families and should assess whether the benefits outweigh the potential delays and confusion it may cause in the future.

These new alterations in the formula to determine financial aid eligibility introduces uncertainties for students and families. Policy makers should ensure that these changes maintain fairness and do not inadvertently disadvantage certain socio-economic demographics. Clear communication about the new formula and its implications is crucial for students and families to be able to navigate the financial aid landscape with confidence.

For example, the decision not to provide additional aid for families with multiple students in college simultaneously neglects the financial strain on such households. Policy makers should reevaluate this considering the increased financial burden these families face and the many potential long-term benefits of supporting multiple students pursuing higher education.

In conclusion, changes to the FAFSA for the 2024-2025 school year have already disrupted the financial aid application process, causing unnecessary stress for students and their families. Policy makers should carefully consider the implications of these alterations and attempt to find the proper balance between efficiency and fairness in the pursuit of accessible and equitable higher education. Reevaluation of certain changes may help alleviate the burdens faced by students and families in this critical aspect of their educational journey moving forward.

Title Page

Name: Diona Brown

Job Title: Director - School Services

Job location: PHEAA, 1200 N. Seventh Street, Harrisburg, PA 17102

Experience: Diona Brown is the director of school services with the Pennsylvania Higher Education Assistance Agency (PHEAA) and has over 24 years of experience working for the agency. Diona has worked with schools and families on all aspects of financial aid, including grants, student loans and loan forgiveness programs. She has presented at financial aid seminars at various regional and national financial aid professional conferences. Diona holds a bachelor's degree in public policy and a master's degree in public administration from The Pennsylvania State University.

PHEAA Testimony
House Democratic Policy Informational Meeting
Diona Brown, Director of School Services
Wednesday, February 21, 2024

Good morning, esteemed members of the General Assembly, and fellow citizens of Pennsylvania. My name is Diona Brown. I am the Director of School Services for the Pennsylvania Higher Education Assistance Agency (PHEAA).

Allow me to express my sincere gratitude to Representative Melissa Cerrato for hosting this hearing and inviting PHEAA to testify. It is truly an honor to be here, and I appreciate the opportunity to address this esteemed assembly.

As you probably know, PHEAA was created by the Pennsylvania General Assembly in 1963 to provide affordable access to higher education for PA students and families. Our earnings are used to support the Agency's public service mission and to pay operating costs, including the administration of the PA State Grant Program and other state-funded student aid programs. Day in and day out, we devote our energy, resources, and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools, and taxpayers.

My journey at PHEAA began more than 24 years ago, during which I have witnessed firsthand the profound impact of our agency's mission. I am so proud to lead our PA School Services Team, which is comprised of 13 Higher Education Access Partners, strategically positioned throughout the Commonwealth, and tasked with heightening awareness of state and federal student financial aid programs. As you're aware, these programs serve to alleviate the financial burdens of higher education for students and their families, opening doors to brighter futures.

Today, we're here to talk about the Free Application for Federal Student Aid, or the FAFSA® as it's known. The FAFSA is the first step in securing financial aid from the federal government, state government, and postsecondary institutions. It's also required to qualify for the PHEAA-administered PA State Grant, Pennsylvania's largest state-funded student aid program. For the second year in a row, qualifying students can benefit from the largest maximum PA State Grant award ever offered of \$5,750 – an accomplishment that fills us with great pride at PHEAA.

The FAFSA for the upcoming academic year is typically available on October 1, but this year, it was delayed nearly 3 months as the FAFSA underwent changes as a result of the FAFSA Simplification Act. The new process was intended to streamline the financial aid application process. The new FAFSA reduces the number of questions families have to answer, uses the IRS Data Exchange to link tax information into the application, and expands access to Federal Pell Grants. As expected with such a major redesign, students and families have reported issues with the rollout.

Currently, the two most pressing issues are as follows:

1. We have received feedback from students and families that they are often being disconnected when contacting the Department's Federal Student Aid Information Center hotline. Those who manage to get through often face wait times of 35 minutes or more.

2. Recently, the Department announced a delay in transmitting Institutional Student Information Records (ISIRs), containing information derived from the FAFSA, to schools, state agencies such as PHEAA, and other entities. The expected release is now scheduled for mid-March, causing significant confusion and frustration for students, families, scholarship organizations, and schools alike. As a result, students and families are unable to make changes to their FASFA until those records are processed. Without access to the financial aid offers they qualify for, Pennsylvania students and families are left unable to make informed critical financial decisions about their higher education.

While the redesign and implementation of the FAFSA has certainly had a bumpy start, there are steps students and families can take to improve their experience.

For the best FAFSA completion outcomes, we encourage students to create a StudentAid.gov account at least 4 days before attempting to complete the FAFSA. This timeframe allows for the completion of the Department's identity verification process.

Students and contributors – parents, stepparents, spouses – should be prepared to complete the FAFSA together to ensure the most seamless user experience.

PHEAA's team of Higher Education Access Partners collaborate with local high schools, colleges, legislative offices, and community organizations to assist families in completing the FAFSA. We currently have over 50 upcoming FAFSA completion activities scheduled from now until the end of April. In addition to our in-person events, we also offer numerous virtual sessions that are open to the public. Information and registration information can be found on our website at pheaa.org/virtual.

Just yesterday, we conducted a public FAFSA completion event at the State Library here in Harrisburg. Teaming up with Governor Shapiro's administration and the PA Department of Education (PDE), we were able to provide much-needed, hands-on help to families here in the local community. It was truly a great event.

We also partnered with PDE on our PA FAFSA Go! initiative– a collaborative campaign that also involves the PA School Counselors Association (PSCA), PA Association for College Admission Counseling (PACAC) and PA Association of Student Financial Aid Administrators (PASFAA). Our collective efforts were designed to promote completion of the FAFSA for senior high school students, as well as returning learners at our Institutions of Higher Education (IHEs).

At PHEAA, we recognize and stress the role of the FAFSA in expanding access to higher education. While acknowledging the challenges outlined, students and families can find assurance in the robust support networks and resources available to them, including those provided by our agency.

PHEAA remains committed to our vital mission of ensuring affordable access to higher education for Pennsylvania students and families. We will continue to stand by them, utilizing our knowledge and expertise to assist them in navigating the entire course of their postsecondary education journey, and empower them toward brighter futures.

Thank you for the opportunity to testify today.