

**Office of the President**

**TO MEMBERS OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE:**

**DISCUSSION ITEM**

*For Meeting of January 22, 2025*

**FINANCIAL AID APPLICATION EXPERIENCE FOR STUDENTS**

**EXECUTIVE SUMMARY**

As discussed at the November meeting of the Academic and Student Affairs Committee, the Free Application for Federal Student Aid (FAFSA) was revised for the first time in 40 years. The student experience with the new form varied but was particularly difficult for students from mixed status families, i.e., those in which the student is a citizen or permanent resident, but one or more parent is undocumented.

- New this year, students and parents needed to initially provide their Social Security Number (SSN) to have their identity validated before the FAFSA accessed their income information from the Internal Revenue Service (IRS).
- For families wherein everyone was able to report their SSN, many reported a positive, expedited experience with the new form.
- For families wherein not everyone was able to report their SSN, the experience was frustrating and sometimes took months to resolve.

Included in this item are anecdotes of the challenges that mixed-status families experienced with the form.

**BACKGROUND**

The Free Application for Federal Student Aid (FAFSA) Simplification Act was signed into law in December 2020. The streamlining of the FAFSA form primarily involves a closer tie with the U.S. Internal Revenue Service (IRS) data on income. In addition to the FAFSA Simplification Act, the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act created new identity validation requirements for access to IRS data.

The biggest challenge was for students whose parents or spouse do not have a Social Security Number. As a citizen or permanent resident, the student is entitled to receive federal financial aid. However, the identity verification processes required by the FUTURE Act precluded them from completing the FAFSA until mid-March. Starting on March 13, these students were instructed to email copies of documents to the Department of Education to validate their parents' identities. The Department of Education subsequently provided a fix to allow contributors without a Social

Security Number to immediately access the application; however, technical challenges continued to prevent successful submission of a FAFSA for some of these students.

The California Student Aid Commission estimates that up to 12,000 students from mixed-status families may be enrolled at the University of California; statewide, they estimate 99,000 students across all segments of higher education.

On April 9, the California Student Aid Commission, in collaboration with the public segments of higher education, opened the California Dream Act Application (CADAA)—normally only available to undocumented students—to mixed-status families. This was a valuable stopgap measure to allow these students to meet the May 2 deadline for State and University financial aid. These students were encouraged to file a FAFSA in order to access the federal financial aid to which they are entitled.

The Biden administration announced on December 6 that no identity validation will be required through the 2026–27 cycle for FAFSA contributors, including parents or spouses without a Social Security Number. It is unclear at this time if the incoming Trump administration will carry forward this policy.

### **Preliminary Enrollment Outcomes**

Preliminary data for fall 2024 enrollment shows a growth in the percentage of Pell Grant students at every campus and for the system (see Table 1 below). Growth in the percentage of Pell Grant recipients was expected, given the changes to the financial aid formulas. That means that interpreting the change from 2023 to 2024 should be taken in that context. The pattern below for all California undergraduates is roughly the same for newly enrolling California students.

**Table 1: Percentage of California Residents Receiving Pell Grants, UC Fall Enrollment, 2020-2024**

	2020	2021	2022	2023	2024
<b>Total</b>	<b>41.6%</b>	<b>40.5%</b>	<b>39.3%</b>	<b>39.4%</b>	<b>42.1%</b>
Berkeley	34.4%	34.3%	34.4%	35.4%	37.7%
Davis	40.8%	38.8%	36.6%	37.3%	42.1%
Irvine	46.3%	46.0%	44.5%	42.8%	44.0%
Los Angeles	35.3%	34.1%	33.3%	34.1%	37.7%
Merced	62.6%	61.2%	58.9%	58.7%	61.9%
Riverside	51.8%	51.1%	48.7%	48.8%	50.3%
San Diego	41.9%	40.4%	40.8%	41.6%	45.3%
Santa Barbara	37.8%	35.7%	33.7%	33.1%	36.7%
Santa Cruz	35.0%	34.6%	34.2%	33.6%	33.7%

Source: UC Information Center, Fall Enrollment at a Glance

The share of the entire student body that identifies as African American, American Indian, or Hispanic/Latino(a)—all historically underrepresented at UC—each increased very slightly between 2023 and 2024 (see Table 2 below). The share that identifies as Native Hawaiian/Pacific Islander

declined slightly.

**Table 2. UC Fall Enrollment by Race/Ethnicity, New and Continuing Students, 2020-2024**

	2020	2021	2022	2023	2024
African American	4.9%	4.9%	5.0%	5.2%	5.3%
American Indian	0.5%	0.5%	0.6%	0.6%	0.7%
Hispanic/Latino(a)	29.8%	30.0%	30.1%	30.7%	31.1%
Native Hawaiian/Pacific Islander	0.3%	0.3%	0.3%	0.3%	0.2%
Asian	37.8%	38.2%	39.0%	39.1%	38.9%
White	22.5%	22.2%	21.8%	21.1%	20.6%
Domestic unknown	2.8%	2.7%	2.6%	2.6%	2.7%
International	1.4%	1.2%	0.8%	0.5%	0.6%

Source: UC Information Center, Fall Enrollment at a Glance

Taken together, the initial fall enrollment outcomes seem to suggest that the FAFSA experience did not significantly affect the composition of the UC undergraduate class. However, a more thorough analysis as additional data becomes available may reveal more details. For example, there was a decline in the proportion of the incoming class who identify as Hispanic/Latino/a (31.9 percent to 31.4 percent). See Table 3, below. This could be due to effects on mixed-status families trying to file the FAFSA, although it is a smaller change than between fall 2021 and fall 2022 (31.4 percent to 30.6 percent).

**Table 3. UC Fall Enrollment by Race/Ethnicity, New Students, 2020-2024**

	2020	2021	2022	2023	2024
African American	5.0%	5.1%	5.3%	5.3%	5.4%
American Indian	0.5%	0.5%	0.7%	0.7%	0.8%
Hispanic/Latino(a)	29.6%	31.4%	30.6%	31.9%	31.4%
Native Hawaiian/Pacific Islander	0.3%	0.3%	0.2%	0.2%	0.2%
Asian	37.4%	36.4%	38.4%	37.5%	37.6%
White	22.9%	22.8%	21.5%	21.1%	21.0%
Domestic unknown	3.0%	2.4%	2.4%	2.6%	2.8%
International	1.4%	1.2%	0.9%	0.6%	0.8%

Source: UC Information Center, Fall Enrollment at a Glance

### **Stories from Students of Mixed Status Families**

Below are several stories shared by UC financial aid offices of the challenges with the new FAFSA faced by students from mixed status families. Some of the stories consist of narratives that students provided, while others are copies of emails that show the confusion and panic caused by the FAFSA problems. In all cases, the campus secured the student's enrollment, and all State and University aid was disbursed. The names have all been changed and the campus obscured to protect these student identities.

- Monica, Second Year Student:

We still have the same issues and have not been able to correct FASFA we had an issue with the physical and online application and when we mailed it they told us that only corrections could be made, and that the whole application being sent was not necessary, they have not rerouted us since and we received the advice directly from FASFA's parent call center. We do not know where to go from here or how to even complete a paper correction without sending the whole application. Any and all advice would be appreciated and I can def try again but would definitely appreciate some support before contacting them again. Thank you!

(Status: FAFSA issue resolved and financial aid disbursed.)

- Jennifer, Fourth Year Student:

Please accept my sincerest apologies for any inconvenience this has caused. When I first submitted my FAFSA, the website had a glitch and it recorded my response to the Unusual Circumstance question as yes, when I checked no. I've reached out to FAFSA and to Cal Central, and they said this section of FAFSA cannot be edited once submitted, even with the correction function on the FAFSA website. I was wondering if there is any way that I could re-submit my application for 2024-2025? My ability to afford this upcoming school year is heavily dependent on financial aid, and I truly appreciate any steps that I could take to resolve this.

(Status: FAFSA issue resolved and financial aid disbursed.)

- Luis, Third Year, New Transfer Student:

“I wanted to tell you that I couldn't send the invite to my mom. I signed into her account with her and it said we needed to sign off but needed the other parents sign in (which I still don't have). I could call the FAFSA help line to ask what they even did to my dads account. The recovery went through, but they just sent an email confirming it went through. My mom and I were talking and could you give us some dates when you're available to meet.

(Status: This student still has not been able to complete his FAFSA; the campus is still working with him and he remains enrolled at the University.)

- Taylor, Fifth Year Student:

I hope you are doing well. Has there been any update regarding the Fafsa application? Sorry for the constant emails regarding this topic, but I'm a little scared that I am going to have to drop out of school due to this inconvenience. I hope to hear from you soon!

(Status: FAFSA issue resolved and financial aid disbursed.)

- Steven, Third Year Student:

I just spoke to the Fafsa help Center and they are only seeing my application from April which needs no corrections.

I told them I submitted a correction.

I also told them that my Contributor has submitted all required documents and I wanted to see if that was received.

They stated they are not seeing that from my side.

I told them I was told by the school to change from Single to Married.

They stated I shouldn't have done that.

I was told that it delayed the process which was already done and it was unnecessary because based on me having a son it still allows me to get the aid for my family.

They suggested just leaving it now but it was not required at all by them.

I guess now I'm wondering what should be done next because the form states that it is in Progress but the Fafsa people are not seeing any of these changes.

They are not even seeing the submitted Contributors part either.

Please let me know what we should do next. Thank you.

(Status: FAFSA issue resolved and financial aid disbursed.)

- Kate, Third Year Student:

I submitted the manual form [paper FAFSA] a while ago and still have not heard back from them. And I understand about the tuition thing but I got an email saying that to be fully enrolled I need to pay 20% of my tuition in the tutorial week and I also have residential hall rent due on 24 August that I was initially going to pay from my scholarship money but now I don't know what to do. I am really worried because nothing is working out, I was wondering if there was any form of work around I could do or give my financial need information to the school some other way so I could get my scholarship money because I don't know what other way I can pay for school. If you could guide me regarding that I would really appreciate it.

(Status: FAFSA issue resolved and financial aid disbursed.)

- Saul, Student:

When applying to FASFA, the older version seemed like a more straightforward process compared to this year's. My family ran into a problem when accidentally inputting my father's ITIN number in the SSN space. This caused a larger problem than it should have been, which has yet to be resolved. When making this error, it completely disabled my father's account and did not allow him to access anything due to the ITIN being "stuck" in the SSN slot and not being able to be changed or fixed. This did not allow him to sign off on my application and we tried everything to fix it. We called multiple times, and some call service workers even hung up on us because

they said they couldn't do anything to fix it. We sent out a paper form with the information COMPLETELY correct and they sent it back to us saying we were not allowed to send a paper form. Such a simple mistake was dragged out to be a problem which is costing my family stress and money. It is completely discouraging as a first-generation student to feel unsupported by the ones who are providing support for students around the country. And who knows if the problem will be fixed or if I will have to drop out due to this.

(Status: FAFSA has still not been resolved and only UC and State financial aid has been disbursed.)

- Jesse, Student:

Education allows the next generation to solve the problems of tomorrow. As a student, I am investing my time and my youth to be a more productive citizen in my country. My Wife and I are both proud students of the University of California. I met my wife before she was admitted but had already graduated top of her class in high school, earning herself a full-ride scholarship to University. I went into community college, working full time, 4 hours away from my girlfriend-turned-wife. To say the least, I struggled in high school, but my wife changed me and made me a better person. Her own struggles with loss, sacrifice, and prejudice inspired me to pursue an education. After 3 years of working 10-hour shifts to come home to do homework, I graduated from community college and was accepted to 4 Universities of California and 5 California State Universities.

Like many students, I applied for financial aid for the 2024–25 FAFSA form and experienced technical difficulties. I started my application process on the day of its delayed start date and experienced an issue with inviting my wife to the application. My wife is undocumented and there was an ongoing issue with inviting undocumented contributors to the application for all students. Because of this, it prevented me from completely submitting the form to FAFSA until my wife could input her information on her end. Little did I know this issue would haunt me for the next 11 months.

In the beginning, I understood the revised form would naturally have some bumps during its launch but after two months of attempting to invite my wife the same error message would occur, “Unable to Complete This Action.” By this time, admission letters already came out and I had to decide where I was going to study. My excitement for my life-changing achievements was quickly followed by the approaching reality of having to choose without knowing what financial support would be available.

In April of 2024, I submitted a completed mailed-in FAFSA form to circumnavigate the online version. This action was taken because of the looming FAFSA form submission deadline that haunted us with every error message we received on the online form. Mailing that form was a shot in the dark. There was no way of knowing if FAFSA received it, had it in their possession, and was waiting to be processed on their

end. This lack of confirmation was immensely stressful and was compounded by the fact that after months of waiting we were instructed not to submit another form as it would complicate things on FAFSA's end. There was no way of knowing if we did the right thing and I had to commit to a University with the possibility of paying full tuition until the technical issues were resolved.

My FAFSA form was submitted in November of 2024, 8 months after its original due date and 2 months into my start at the University of California. During one of many Zoom meetings with my University's financial aid office, the error message didn't appear on the online form, and my wife was successfully invited to the form. I chose my University because I knew it had the most support and resources to help me during this stressful time for my wife and me. We knew it was a gamble but the University's guidance and support gave us hope when we needed it the most and I am pursuing my education because of them. We didn't feel alone anymore and the University guided us until the form was finally submitted. I was left speechless seeing my form finally submitted.

We are proud students of the University of California. I plan on continuing my education and earning an MBA and my Wife is pursuing a Law degree in spite of her status. We hope that our story encourages more transparency between FAFSA and students. I respect the many FAFSA representatives I spoke to during this process but the help received was limited. Whether it was a lack of tech capability, simply reassuring my mailed-in form was in the hands of FAFSA and waiting to be processed would have saved many sleepless nights. We also hope that our story can show what an investment in students' education can produce, no matter their history or status. Without student aid, our education would be impossible and we are immensely grateful to be able to contribute the best way we can.

(Status: FAFSA issue resolved and financial aid disbursed.)

- Elvis, Fourth Year Student:

I tried using a windows computer and accessed my parent's account and I still couldn't find anywhere to sign and the 2024-25 FAFSA form wasn't even showing up on my parent's end. It said there was no activity. And also, I mailed the pdf form again hoping that it would get processed at least and this was the fourth time I have mailed. I have attached pictures of the receipt and the envelope below. I am extremely worried since the tuition fees are due soon and that I can't continue my education. I just need two more quarters to graduate and the financial burden has been an enormous stress on me. I cannot even focus on my finals thinking about whether I will be able to graduate or not. I really hope there is a solution to this soon. My dad who has had three strokes already has been working really hard to pay for my tuition fees is an additional stress since I didn't receive any federal aid. I was getting a non resident grant that was covering a large portion of my fees for the past 3 years. I was really hoping to get all those aid for just two more quarters and graduate. I really wish I could explain how terrible my situation is.

(Status: FAFSA issue resolved and financial aid disbursed.)

**KEY TO ACRONYMS**

CADAA	California Dream Act Application
FAFSA	Free Application for Federal Student Aid
FUTURE Act	Fostering Undergraduate Talent by Unlocking Resources for Education Act
IRS	Internal Revenue Service