

# FAFSA DELAYS HIT VULNERABLE STUDENTS HARDEST

*Amid a troubled overhaul of the federal process for applying for student financial aid, the share of Wisconsin high school seniors completing the application so far this year has plummeted. The largest declines have been at schools with greater proportions of marginalized students. While the gap may be narrowing as students near commitment deadlines, such delays could cause lasting impacts for students, colleges, and the workforce.*

Federal officials this year overhauled the form for the Free Application for Federal Student Aid (FAFSA). It was [meant to streamline the FAFSA](#) application process, a key first step that millions of students take as they decide if, and where, to attend college.

Instead, the rollout of the revamped FAFSA has been beset by technical glitches and processing errors that have resulted in substantial delays affecting students, families, and higher education institutions.

As a result, FAFSA completion rates have plunged, both nationally and in Wisconsin. Through April 26, completion rates in Wisconsin had declined from 42.4% in 2023 to 33.9% in 2024, U.S. Department of

Education data show (see Figure 1). The decline was even greater at schools with larger shares of students who are nonwhite, live in economically disadvantaged households, or do not speak English as their first language.

In recent years, Wisconsin’s total FAFSA completion rate has lagged the nation’s. That also remains true so far in 2024, as data from the nonprofit [National College Attainment Network](#) (NCAN) show Wisconsin’s completion rate through April 26 ranking 35<sup>th</sup> among the states.

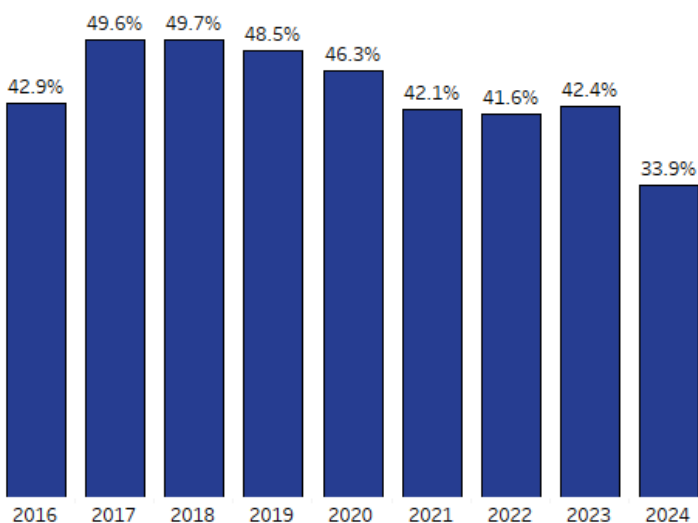
In one encouraging sign, from March to April of this year, Wisconsin’s FAFSA completion rate increased by nearly three times as many percentage points as it did for the same time period in any of the prior five years. This is a possible indication that families are successfully playing catch-up in completing applications as they near the dates at which students must commit to colleges or universities.

Still, as commitment deadlines near, the confusion and uncertainty has affected all stakeholders. In a typical year, many colleges and universities require students who plan to enroll in the fall to commit by May 1. For this year only, some institutions, including the University of Wisconsin-Madison, have [pushed the commitment deadline back](#) to May 15 to give students and families more time to cope with FAFSA delays.

## KEY STEP FOR COLLEGE SELECTION

FAFSA completion is an essential step in the process for nearly all students considering higher education,

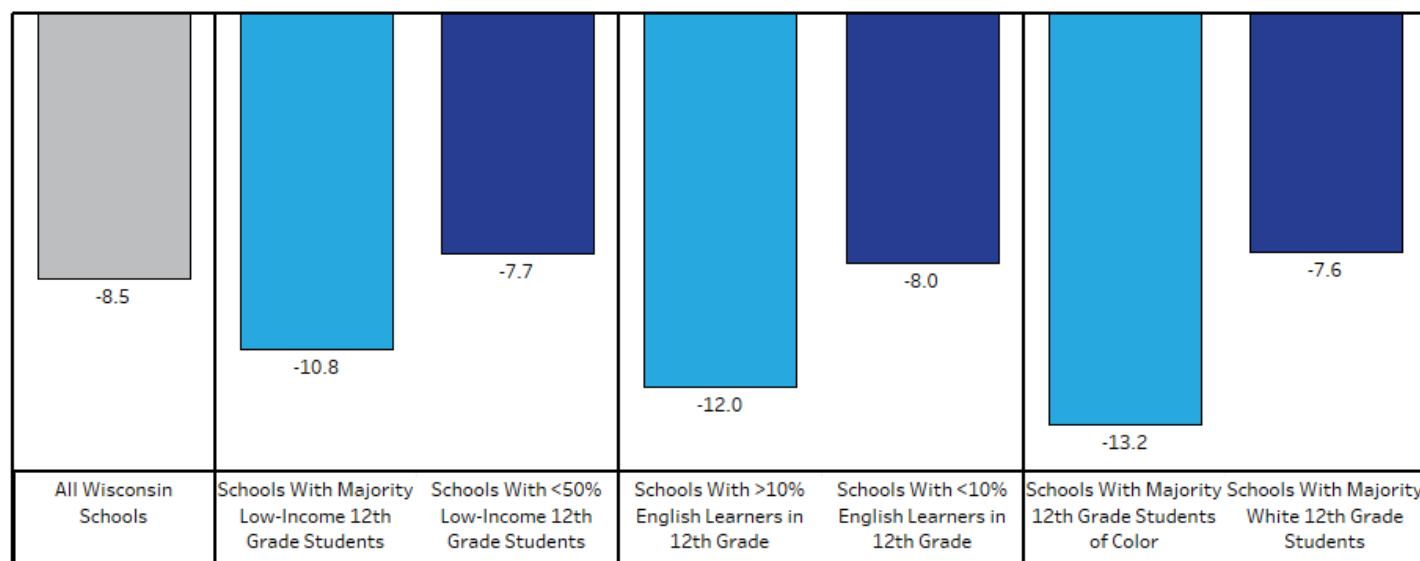
**Figure 1: Completion Rates Plummet For Financial Aid Form**  
FAFSA completion rates as of April by year



Sources: National Center for Education Statistics, U.S. Department of Education, and Wisconsin Department of Public Instruction. \*Does not include private schools or schools with fewer than five FAFSAs completed.



**Figure 2: FAFSA Overhaul has Larger Impact on Disadvantaged Schools**  
 Percentage-point decline in Wisconsin from April 2023 to April 2024, by 12th grade class



Sources: National Center for Education Statistics, U.S. Department of Education, and Wisconsin Department of Public Instruction. \*Does not include private schools or schools with fewer than five FAFSAs completed.

because it unlocks access to most federal, state, and institutional financial aid.

The FAFSA form asks students and families a series of questions to calculate the amount they can contribute towards the cost of education. This information, along with the cost of attendance at their considered schools, is used to determine the amount of federal aid (either grants or loans) for which the students are eligible. The FAFSA also is used to distribute Wisconsin grants totaling \$124 million in 2023 that went to University of Wisconsin students and students at private, technical, and tribal colleges. This information is then forwarded to the considered schools, which use it to make additional financial aid offers to students and families prior to student commitment deadlines.

Financial aid packages are understandably critical factors for many students and families when selecting a college or university. In a typical year, students and families can begin completing their FAFSA applications on Oct. 1. But this year, the FAFSA overhaul process put them behind from the start, as its launch [didn't occur until late December](#).

Since then, technical problems and errors have further delayed students and families from completing FAFSA applications. They also have kept FAFSA data from being processed and forwarded to colleges and universities.

This year, FAFSA delays may have forced some students and families to make college commitment decisions without a full picture of the financial aid they will receive. At a minimum, others had far less time than is typical to compare financial aid packages and decide.

### DIVIDING LINES IN COMPLETION RATES

As [we noted in a 2021 report](#), research shows FAFSA completion is associated with a higher likelihood that a student will enroll in college – prompting many school districts to encourage students to complete the form.

FAFSA completion rates declined this year in districts of varying demographics and geography, but fell more among schools with a greater share of students of color, English Learners, and economically disadvantaged students (see Figure 2). These students may be at greater risk of postponing – or forgoing – college if they do not obtain financial aid information in a timely manner.

From April 2023 to April 2024, FAFSA completion for all schools statewide declined by 8.5 percentage points. In schools with a majority of 12<sup>th</sup> grade students from economically disadvantaged households, the decline was 10.8 percentage points, compared to 7.7 percentage points for schools with less than a majority of such students.



Schools with greater than 10% of students who were English Learners saw a 12.0 percentage-point decline, compared to an 8.0-point decline for schools with a lesser share of English Learners. The racial makeup of a school showed the largest discrepancy: schools with a majority of students of color registered a 13.2 percentage-point decline, compared to a 7.6-point decline among schools with majority white students.

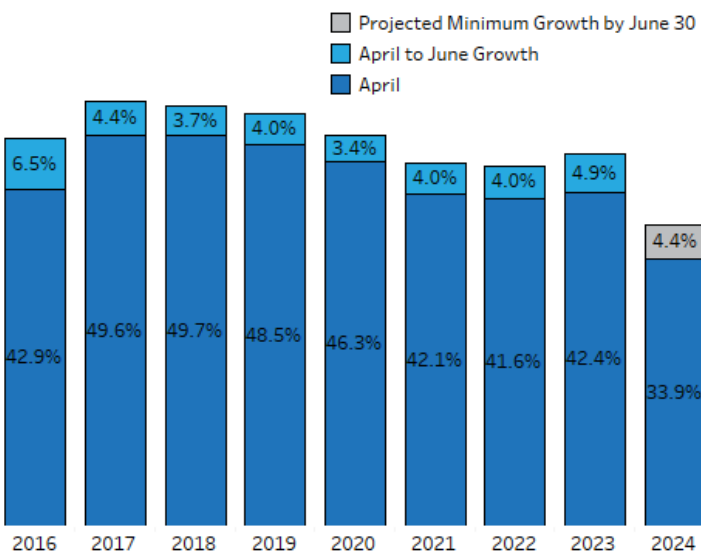
Urban schools also have lower completion rates, according to [a 2023 report](#) from the UW-Madison Student Success Through Applied Research (SSTAR) Lab. Suburban schools tend to have higher completion rates, with towns and rural areas falling in the middle.

Milwaukee Public Schools (MPS) is an outlier in these data. Despite being an urban district with a high proportion of disadvantaged students, MPS has outpaced the state in recent years. In April 2023, its FAFSA completion rate was 15.4 percentage points higher than the state’s completion rate. Through April of this year, the MPS completion rate of 39.3% is once again higher than the state’s rate of 33.9%. Part of the district’s relative success may be attributed to requiring FAFSA completion for graduation beginning in the 2022-23 school year, in addition to concerted efforts to encourage FAFSA completion.

### COMPLETION RATES ALREADY DECLINING

The decline in FAFSA completion rates so far this year follows a downward trend that predates the COVID-19

**Fig. 3: Final Months Typically Add Little to Completion Rates**  
FAFSA completion rates in Wisconsin as of April 30 and June 30 by year



Sources: National Center for Education Statistics, U.S. Department of Education, and Department of Public Instruction. \*Does not include private schools or schools with fewer than five FAFSAs completed.

pandemic. Final completion rates for Wisconsin peaked in 2017 at 54.0%, before dropping modestly in 2018 and 2019. Larger declines followed in 2020 and 2021, with rates hitting a recent low of 45.6% in 2022 and then increasing slightly to 47.3% in 2023 (see Figure 3).

In past years, completion rates typically rose a little over four percentage points between the end of April and June. Given this year’s challenges and the surge in completions in April, there is reason to believe completion rates may rise by a larger amount than usual this May and June. Yet hitting even the relatively low final rates of recent years appears out of reach in 2024, and the annual decline could be larger than during the peak of the pandemic.

### WHAT’S NEXT?

Many colleges and universities are bracing for the possibility that these lower completion rates will translate into declines in freshman enrollment for the 2024-25 school year.

Recent [research from the Brookings Institute](#) notes, “Given the current state of FAFSA filing, it’s possible the decline in enrollment in fall 2024 comes close to pandemic-driven declines, particularly at community colleges.” The report states that in the fall of 2020, undergraduate enrollment overall (both incoming and returning students) decreased by 3.3%, and community college enrollment decreased by about 8.7%. Nationally, fall 2020 college enrollment for the high school graduating class of 2020 dropped by 6.8% from the previous year, an “unprecedented one-year decline” at the time, according to the [National Student Clearinghouse](#).

For colleges and universities, and the communities in which they are located, another such enrollment decline could take a heavy toll. That’s in part because it would follow not only the pandemic-era enrollment decreases, but also a long-term decline in high school graduates. Small [private colleges](#) in particular [faced very challenging financial circumstances](#) even prior to these FAFSA delays, and another sizable enrollment decline this year would only compound them.

Meanwhile, as we have shown, these enrollment declines are unlikely to be distributed evenly by income or race. High school seniors from affluent households may more easily commit to a college or university without knowing how much financial aid they may



receive. Students from low-income households or other vulnerable circumstances seem less likely to take such a risk.

With the clock ticking, Wisconsin school officials and policymakers are emphasizing to students that there is still time to complete their FAFSA forms. Gov. Tony Evers and administration officials recently urged families to do so as part of a national FAFSA Week of Action. This statement referenced the [Fair Opportunity Project](#), a national nonprofit organization that provides free support for students' college application process, including FAFSA completion, and [College Goal Wisconsin](#), a volunteer program that previously provided students with FAFSA completion support services.

Some districts, such as MPS, are [regularly communicating](#) with families that have not yet completed the FAFSA. This approach may represent a straightforward but potentially effective approach for other districts to follow. “FAFSA drives” hosted by school districts, universities, state officials, or community organizations, can galvanize completion by bringing many applicants into a single room and providing completion support on the spot. As the end of the school year approaches, districts and communities may wish to clearly designate who is responsible for assisting and proactively reaching out to non-completers when summer begins – though these months can be challenging to reach some students and families.

Wisconsin's rank among the states in FAFSA completion rates shows there is substantial room for improvement. Nearly two-thirds of the state's expected high-paying job openings through 2030 are [expected to require a college degree](#). A successful effort could increase not only college attainment but also economic mobility, while potentially helping to narrow Wisconsin's gaping divide in educational equity.

