



HB 96- SUPPORT

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HB 96 – SUPPORT “Education - High School Graduation Requirements - Application”

House Ways and Means Committee
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Dear Chairperson Kaiser and Members of the Ways and Means Committee:

Thank you for the opportunity to testify in support of HB 96, requiring public school students in Maryland to submit the Free Application for Federal Student Aid (FAFSA) or the Maryland State Financial Aid Application (MSFAA) as a part of their high school graduation requirement.

We strongly believe that all young people in Maryland deserve the opportunity to attend college, if they choose, and to have access to financial aid if they need it. Submitting FAFSA or MSFAA is the only way that students are awarded federal or state financial aid, and most institutional need-based grants are also based on information provided in FAFSA. Therefore submitting FAFSA/MSFAA is essential to providing students with financial need the aid necessary for them to attend college.

Going to college benefits the individual student, but it also has a massive ripple effect on the community. Getting a college or technical degree is transformative in breaking the cycle of poverty. A high school diploma is no longer enough to provide a stable economic future. As of 2019, over 66% of all jobs in Montgomery County require some higher education, and that figure is rising. College degree holders have a dramatic positive impact on local and state tax revenue and consumer spending, and are less likely to require government assistance in the form of social services.

Unfortunately, college has become distinctly less affordable over time. The National College Attainment Network (NCAN) reports that between 2013-14 and 2017-18, there was a decline in the percentage of affordable colleges and that in Maryland only 14% of 2 year institutions and 30% of 4 year institutions are affordable for recipients of the Pell Grant.ⁱ

At CollegeTracks we work with students in Montgomery County, who have access to a strong K-12 public education. However, more than 40% of graduates from low-income

families and families of color – the fastest growing demographic groups - do not enroll in postsecondary education of any sort within the year after high school graduation, according to a 2012 study by Montgomery County Public Schools (MCPS). This illustrates the crisis facing Montgomery County and the state of Maryland: The immigrant, low-income, and minority communities least likely to reach higher education need it more than ever, and this population is growing every day.

Research has shown that completing FAFSA correlates with increased college enrollment among low-income students: students in the lowest 40 percent economically who complete the FAFSA have a college-going rate 1.65 times above the rate of those who do not complete FAFSA. And among those who enroll, FAFSA completers persist at a higher rate into their second year of college.ⁱⁱ The relatively small cost of ensuring that students complete the FAFSA is offset many times by the positive economic impact of expanding our regional pool of degree holders.

CollegeTracks

CollegeTracks is a non-profit organization in Montgomery County that works in partnership with Montgomery County Public Schools (MCPS). Our mission is to help first-generation-to-college students, students of color, and students from immigrant or financially stressed households get into and through higher education.

CollegeTracks is currently working with close to 1000 high school students from five MCPS High Schoolsⁱⁱⁱ, and over 500 college students attending colleges and job-training programs, mostly in the state of Maryland. The program begins with the CollegeTracks Access Program, which serves high school students starting in their junior year and focuses on College Admissions and Financial Aid advising. The CollegeTracks Success Program supports these students once they graduate high school, and helps them enroll, persist, and graduate from college, and move on into a meaningful career.

A major component of our work is to help our students submit FAFSA, MSFAA and the paperwork necessary for Maryland state aid through the Maryland Higher Education Commission. At present our Access staff is working with 785 high school seniors. So far 70% of them have submitted FAFSA. Our goal is to reach close to 100% FAFSA/MSFAA submission by the Maryland state deadline of March 1. For historical perspective, in 2020 we served 722 seniors and 97% of those eligible submitted FAFSA. In 2019 98% submitted and in 2018 95% submitted FAFSA. For our current college students, over 250 students (just under 50%) have renewed their FAFSA or MSFAA so far. The Success team also seeks a 100% renewal rate for its current college students.

Under normal, pre-COVID circumstances, our staff and volunteers meet individually with students to assist them in completing FAFSA. Approximately 95% of FAFSAs can be completed during a one hour appointment, assuming the student comes with the requested paperwork. With the pandemic, it has been more challenging since all of our work is remote. To offset this challenge, we have created virtual tools to help students get started with FAFSA on their own, including videos and step-by-step guides to completing FAFSA

and MSFAA. Then, when we meet individually with a student, we can go over the areas where they need one-on-one guidance.

Our financial work with our students does not end when FAFSA or MSFAA is submitted. We work with those students selected for verification (when students are required to submit additional documentation) and also assist students in identifying both institutional and private grants and scholarships to offset the gap that often exists even when a student is awarded the maximum Pell grant (\$6345 for the 2020-2021 academic year). This work continues until the student completes their undergraduate degree or certificate.

Conclusion

We believe this is the right time to make FAFSA or MSFAA completion mandatory as policy makers seek to make college more affordable for Americans. Congress has just passed legislation to simplify the FAFSA application and implement a new formula to determine Pell grant eligibility that is expected to increase the number of students who will be found Pell-eligible. Furthermore, efforts are on the rise to “double Pell”, which would increase the maximum Pell award to an amount that would cover approximately 50% of the average tuition at a public, four year institution (historically it covered close to 80% of the average tuition but due to the rising costs of higher education, it has fallen to 28% for the 2020-21 academic year).

The positive progress made in FAFSA completion rates in recent years is now under threat. According to NCAN FAFSA completion is down at least 16% nationally from this time last year. This means that during COVID-19, when college degrees are more important than ever due to the financial and structural resilience their holders can accrue, students are less likely to be able to afford college.

The good news is that targeted FAFSA interventions like that which CollegeTracks provides, are successful. We work in 5 high schools in Montgomery County and students join CollegeTracks voluntarily. Close to 100% of our students submit FAFSA because of our intervention. Every high school student in Maryland deserves that same attention and the same opportunity to access the aid for which they are eligible.

Surveys show that the primary reasons students don't submit FAFSA are because they think it is too complicated, they believe they won't be eligible for aid, or they don't know that financial aid exists at all.^{iv} It is to the benefit of all students, their families and their communities that they make the most educated decision about their post-secondary plans. Understanding their financial aid is key to this decision, and making FAFSA or MSFAA submission mandatory for high school seniors is the only way to ensure students from low-income backgrounds have access to the aid that make college a possibility.

It is for these reasons that CollegeTracks fully supports HB 96. This legislation takes important steps towards ensuring that those who have the most financial need in Maryland are given the assistance they need to attend College.

ⁱ Affordable is defined as the full cost of attendance can be covered by a student’s financial aid, family contributions and work earnings.

ⁱⁱ Bill DeBaun, “FAFSA Completion by District Poverty Level Across the United States,” Public Tableau, December 3,

2019, <https://public.tableau.com/profile/bill.debaun.national.college.access.network#!/vizhome/FAFSACompletionbyDistrictPovertyLevelAcrossTheUnitedStates/Story1>.

ⁱⁱⁱ Bethesda Chevy Chase, Paint Branch, Quince Orchard, Watkins Mill and Wheaton High Schools

^{iv} <https://www.ncan.org/page/WhyInvestFAFSA>