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COMMITTEE ON EDUCATION AND THE WORKFORCE U.S. HOUSE OF REPRESENTATIVES 2176 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6100

January 30, 2024

Honorable Miguel Cardona Secretary U.S. Department of Education 400 Maryland Avenue, S.W. Washington, D.C. 20202

Dear Secretary Cardona:

The U.S. Department of Education's (Department) failure to launch the Free Application for Federal Student Aid (FAFSA) in a timely and effective manner is of great concern to us. The FAFSA is designed to help ensure federal student aid, including Pell Grants, is easily accessible to students. Students and families traditionally begin completing the FAFSA in October of each year. This enables them to know the status of their financial aid packages and what they can afford before enrolling in school.

The bipartisan *FAFSA Simplification Act*¹(Act), which eliminates unnecessary questions and streamlines the process for completing the application² was enacted in December 2021, and was to take effect on July 1, 2023, for the 2023-2024 award year.³ Congress went a step further and provided the Department a one-year extension in March 2022 so that the new FAFSA would be ready for the 2024-2025 award year.⁴

Post enactment, the Department should have focused on expeditiously doing the work necessary for a successful and timely launch for the simplified FAFSA to be ready for students, families, and institutions of higher education (IHEs). Unfortunately, for the over 17.5 million estimated students who are expected to complete the FAFSA in 2024, the Department's "soft launch" of the simplified FAFSA on December 30, 2023, was fraught with issues. Stakeholders had begun making their concerns about the new FAFSA known as early as October 2022, and unfortunately many of these concerns became a reality.⁵

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¹ Consolidated Appropriations Act, 2021, Pub. L. No. 116-620, §§ 701-706, 134 Stat. 1182, 3137-3201 (2020).

² https://www.ncan.org/news/543813/Bipartisan-Support-for-FAFSA-Simplification-Eases-Path-to-Accessing-Financial-Aid.html.

³ *Supra* note 1, § 701(b), at 3137.

⁴ Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 § 102, 136 Stat. 49, 819 (2022).

⁵ <u>https://www.insidehighered.com/news/2022/10/10/groups-sound-alarm-about-fafsa-simplification.</u>

The problems with the new FAFSA are various and have yet to be entirely remedied. The "soft launch" involved lengthy online waiting rooms, sporadic closures of the form, and software errors for applicants.⁶ Though the FAFSA is available today for completion, the Department itself has admitted that students and families are still unable to complete the FAFSA because of an extensive list of technical issues. Many of the issues have no current workarounds.⁷ The Department described these roadblocks as "some minor issues,"⁸ yet they are far from minor: they are obstacles preventing many applicants from completing the FAFSA and therefore from finalizing their college decisions.

The Department's delays also have consequences for IHEs and states. As you know, IHEs and states use the FAFSA to make determinations about additional aid to students. The Department promised to provide FAFSA eligibility information to schools and states by "late January" and assured applicants they will have "ample time" to fill out the form.⁹

Given the current status of FAFSA implementation, the "late January" timeline proved unreliable. For example, there were concerns the Department could not meet this timeline back when the Committee first became aware the Department failed to include inflation adjustments for the FAFSA, even though the Act mandated such adjustments.¹⁰ It was only one week ago that the Department finally acknowledged this inflation adjustment error;¹¹ but it has still failed to address how long it will take to remedy this mistake.

Today, the Department confirmed what students, families, schools, and Congress suspected: it cannot get its job done by the deadline. The Department announced that it would now *begin* transmitting FAFSA information to states and schools in "the first half of March," at least 30 and potentially 45 days after initially promised.¹² Furthermore, students will have to wait until "the first half of March" to make corrections to their FAFSA forms.¹³

It appears the Department fails to understand the gravity of its continual delays. Every passing day is another day students and families are unable to make informed decisions about one of the biggest financial decisions of their lives: how to pay for their postsecondary education.

⁶ <u>https://www.npr.org/2024/01/05/1222892834/fafsa-student-financial-aid-college.</u>

 ⁷ https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-issue-alerts.
⁸ https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-

updates#mostcurrentupdate.

⁹ https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-12-15/2024-25-fafsa-soft-launch-details-and-timelines-updated-jan-22-2024.

¹⁰ Supra note 1, § 702, at 3151-3152, <u>https://www.forbes.com/advisor/student-loans/fafsa-problem-financial-aid-inflation/</u>.

¹¹ https://www.npr.org/2024/01/23/1226406495/families-colleges-remain-limbo-education-department-promises-fix-fafsa-mistake.

¹² Press Release, Dept. of Educ., U.S. Dept. of Educ. Announces More Than 3.1 Million FAFSA Forms Successfully Submitted and an Update to Student Aid Index Calculation (Jan. 30, 2024), https://www.ed.gov/news/press-releases/us-department-education-announces-more-31-million-fafsa-forms-successfully-submitted-and-update-student-aid-index-calculation.

IHEs and states have been kept in limbo by the Department as they await accurate student information with little communication from the Department. The Department's empty promises have the potential to alter the learning path for an entire generation of students.

It appears the Department has focused its time and resources on transferring student debt to taxpayers rather than on faithfully implementing the laws enacted by Congress. Indeed, on June 30, 2023, the Supreme Court struck down the Department's illegal loan cancellation scheme.¹⁴ Despite this judicial reprimand, the Department continues to work against the interests of taxpayers through illegal waivers and ill-advised regulations.¹⁵ Neither the loan cancellation scheme struck down by the Court nor any of the Department's subsequent debt relief plans have been carried out with Congressional approval.¹⁶

It seems the Department's failed FAFSA implementation is at least in part due to the time and attention it gave to judicially unsanctioned and politically expedient cancellation plans. The net result is students struggling to plan their postsecondary education because of the delays and related problems.

The Committee on Education and the Workforce has been granted legislative and oversight jurisdiction over the "organization, administration, and general management of the Department of Education" as well as over education matters, generally, as described in the Rules of the U.S. House of Representatives, 118th Congress.¹⁷

Given these disruptions, please provide the following answers and documents (instructions attached) no later than February 13, 2024.

- 1. Provide a copy of the Department's plan of action to implement the Act, including dates for interim and final deliverables.
- 2. Provide all communications the Department shared with students and other stakeholders regarding deadlines or extensions of deadlines for availability of the new FAFSA.
- 3. Provide copies of all documents associated with updates to the income protection allowance and the deadline for correcting inaccurate aid estimates, including communications between Department staff.
- 4. Provide all communications between the Department and all its FAFSA contractors associated with the timing of implementation of the Act, including any deadline extension decisions.
- 5. Provide all communications regarding the reallocation, if any, of salaries and expense account funding to implement the administration's student loan cancellation initiatives as described in the three-part plan detailed in the August 24, 2022, announcement titled

¹⁴ Nebraska v. Biden, 600 U.S. 417, 143 S. Ct. 2355 (2023).

 $^{^{15}\} https://edworkforce.house.gov/uploadedfiles/1.16_ltr_budget_ewr_to_ed_1.16.2024.pdf.$

¹⁶ https://edworkforce.house.gov/uploadedfiles/1.16_ltr_budget_ewr_to_ed_1.16.2024.pdf.

¹⁷ Rules of the House of Representatives, 118th Cong. at 7, 9-10 (Jan 10, 2023).

"FACT SHEET: President Biden Announces Student Loan Relief for Borrowers Who Need It Most."¹⁸

- 6. Provide all documentation regarding resource reallocation, if any, of salaries and expense account funding to provide for implementation of the Act.
- Provide all documents, including communications between Department staff, associated with the decision to establish the updated deadline of "the first half of March" for sharing FAFSA information with partners as stated in the Department's January 30, 2024, press release.¹⁹
- Provide all communications between the Department and schools regarding the deadline of providing FAFSA information by "late January" as stated on the 2024-2025 FAFSA Form Launch announcement page.²⁰
- Provide all communications between the Department and states regarding the deadline of providing FAFSA information by "late January" as stated on the 2024-2025 FAFSA Form Launch announcement page.²¹
- 10. Provide copies of all timelines of the Department associated with the Department's attempts to resolve the implementation issues listed on the 2024–25 FAFSA Issue Alerts Problems as of January 30, 2024.

Sincerely,

Virginia Forces

Virginia Foxx Chairwoman U.S. House Committee on Education and the Workforce

Burgess Owens Chairman Subcommittee on Higher Education and Workforce Development

 $^{^{18}\} https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/24/fact-sheet-president-biden-announces-student-oan-relief-for-borrowers-who-need-it-most/.$

¹⁹ https://www.ed.gov/news/press-releases/us-department-education-announces-more-31-million-fafsa-forms-successfully-submitted-and-update-student-aid-index-calculation.

²⁰ <u>https://studentaid.gov/announcements-events/fafsa-support.</u>

²¹ https://studentaid.gov/announcements-events/fafsa-support.