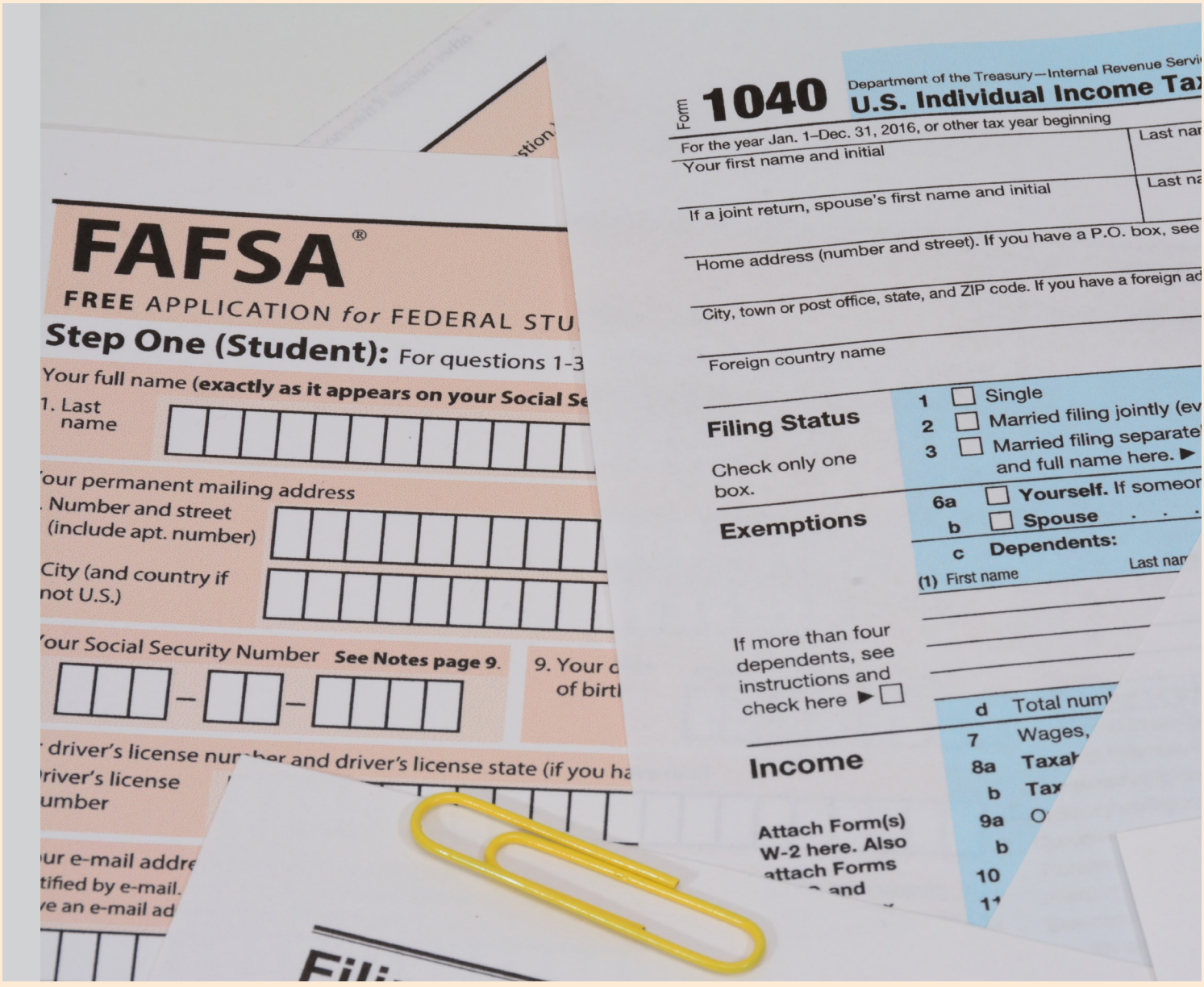
A Scan of State Universal FAFSA Policies



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A Scan of State Universal FAFSA Policies

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EXECUTIVE SUMMARY

College enrollment has increased over the years but so has the cost. The total cost of attending college — including tuition, room and board, necessary books and supplies, and more — would be prohibitive for most students if not for financial aid. Yet, many students still cite financial barriers as the top reason for opting out of college.[1] Boosting access to financial aid, and thus, access to postsecondary education is essential and hinges not only on increasing the amount of aid for which students are eligible but on increasing students' awareness of the aid that's available to them.

Eligible students must complete the Free Application for Federal Student Aid (FAFSA) to access federal aid, such as grants that do not need to be repaid (e.g., the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant), funds in exchange for work (e.g., the Federal Work-Study Program), and loans that must be repaid (including subsidized and unsubsidized loans).

Despite the availability of aid, a lack of clear information about the types of aid available and how the financial aid process works, and insufficient advising and guidance on how to navigate the system and pay for college deters many students — particularly those of color and those from low-income backgrounds — from applying for financial aid and enrolling in college.[2] Members of the high school class of 2023 who did not complete the FAFSA left more than $4 billion in Pell Grants unclaimed.[3]

EXECUTIVE SUMMARY

This has raised alarms for lawmakers, who increasingly recognize that boosting FAFSA completion depends on providing more and better information and support to students and families and helping them understand how to complete the form and navigate the financial aid process. It is also prompting more discussions about universal (or mandatory) FAFSA completion policies, which require FAFSA completion for high school graduation. Twelve states — including Alabama, Indiana, and New Jersey — now require students to fill out a FAFSA to graduate, while others — such as Michigan and Massachusetts — are considering adopting similar policies, hoping to spur more students to seek financial aid and attend college.

This report analyzes the policies of 14 states that have had, currently have, or will soon implement universal FAFSA policies. It also examines the subsequent impact of these policies on FAFSA submission and completion rates, as well as enrollment among Pell Grant recipients, where data is available. To ensure that these policies effectively support students in reaching and achieving higher education and to evaluate their long-term efficacy, we urge state legislators and state boards or departments of education to do the following:

1. **Publish data on alternative, state-specific financial aid application completion rates**

2. **Publish data on opt-out rates and track disparities**

3. **Address the gap between FAFSA submission and completion rates**

4. **Partner with college access organizations and local colleges and universities to boost FAFSA completion**

5. **Adopt universal FAFSA policies into statute**

6. **Make FAFSA information accessible to all families**

7. **Make FAFSA submission a graduation requirement but allow the school staff members closest to students to waive the requirement**

Introduction

In the United States, a college degree, particularly a four-year bachelor's degree, has long been associated with increased lifetime earnings.[4] Yet, without financial aid, the total cost of attending college — including tuition, room and board, necessary books and supplies, and more — would be prohibitive for most students. Understanding the financial aid process and what aid is available at federal, state, and institutional levels is crucial for expanding access to higher education, especially for students who face systemic barriers and have historically been excluded from colleges and universities.

That's why completing the Free Application for Federal Student Aid, or FAFSA, is often an important first step for students and their families. Authorized by Title IV of the Higher Education Act of 1965 (HEA), the FAFSA is the necessary form for eligible higher education students seeking access to federal financial aid. The available types of federal aid include grants that do not need to be repaid, such as the federal Pell Grant and Federal Supplemental Educational Opportunity Grant; funds in exchange for work through the Federal Work-Study Program; and loans that must be repaid, including subsidized and unsubsidized loans. Completing the FAFSA can also provide eligible parents of dependent students access to Parent PLUS loans.

Grants available through the federal student aid system are limited to students from low-income backgrounds. The federal Pell Grant program is the largest source of federal need-based grant aid for undergraduate students. In the 2022-23 academic year, the program provided approximately $27.4 billion to 5.9 million students.[5] In 2023-2024, the average award was $4,974 and the maximum award was $7,395.[6]

Since the inception of the federal Pell Grant program with the 1972 amendments to the Higher Education Act, spending for the program has grown, enabling more students — particularly students of color from low-income backgrounds, who have historically been excluded from higher education — to enroll in colleges and universities. Higher education enrollment has more than doubled since 1972, increasing from 9.2 million students in 1972 to nearly 18.7 million in 2021.[7] The most recent data shows that in the 2019-20 academic year, 48.6% of American Indian/Alaska Native students, 54.3% of Hispanic students, and 64.3% of Black students enrolled full time in an undergraduate program were Pell Grant recipients.[8]

Yet, despite the availability of such aid, students often cite financial barriers as their top reason for opting out of college.[9] College enrollment has increased over the years but so has the cost of attendance. In the 1976-77 academic year, the average estimated cost of attendance at a public four-year institution was $9,881; it was $7,611 at a public two-year institution.[10] For that academic year, the maximum Pell Grant award was $5,431, which covered approximately 55% of the cost of attendance at a public four-year institution and approximately 71% at a public two-year institution.[11] By the 2022-23 academic year, the average cost of attendance at public four-year institutions was $22,389, which is more than 125% higher than the 1976-77 level. For public two-year institutions, the cost was $11,953, representing a 57% increase compared to the 1976-77 level. The maximum Pell Grant award for the 2022-23 academic year was $6,895, covering only 30% of the cost of attendance at a public four-year institution and 58% of the cost of attendance at a public two-year institution. As a result, many students rely on federal loans to finance their education, but those often do not cover the entire cost of attendance.

To make matters worse, a lack of clear information about the types of aid available, how the financial aid process works, and insufficient advising and guidance on how to navigate the system and pay for college deters many students — particularly those of color and those from low-income backgrounds — from applying for aid and enrolling in college.[12] As a result, many of them miss out on thousands of dollars in available funding and experience "sticker shock" upon seeing the list price of attending college. High school graduates from the class of 2023 left more than $4 billion in Pell Grants unclaimed.[13]

This has raised alarms for lawmakers, who increasingly recognize that boosting FAFSA completion depends on providing more and better information and support to students and families and helping them understand how to complete the form and navigate the financial aid process. It is also prompting more discussions about universal FAFSA completion policies, which would require FAFSA completion for high school graduation. Twelve states — including Alabama, Indiana, and New Jersey — now require students to fill out a FAFSA to graduate, while others — such as Michigan and Massachusetts — are considering adopting similar policies, hoping to spur more students to seek financial aid and attend college.

Current Challenges

Recognizing the need to reduce barriers to the FAFSA and increase college enrollment and completion rates, Congress passed the FAFSA Simplification Act in December 2020, which reduced the number of questions on the form, increased the number of students who are eligible for the Pell Grant, and implemented other measures aimed at expanding access to Title IV federal aid programs. While these changes were initially set to take effect in the 2023-24 award year, their implementation was postponed until the 2024-25 award year at the request of the Department of Education due to the significant scale of overhauling the existing FAFSA system.[14]

Since the 2017-18 award year, students have been able to access and submit their FAFSA forms for the coming year starting on October 1 of the prior year, a shift from the previous submission start date of January 1. This earlier FAFSA submission start date better aligns the FAFSA process with college application deadlines. It also gives students and families more time to meet institutional and state deadlines and assess their financial aid packages before committing to a college.

Unfortunately, the rollout of the redesigned 2024-25 FAFSA was delayed until late December 2023, an unexpected change for students, families, and college financial aid administrators, who were anticipating an October 1 start date. In addition, the new FAFSA form contained several errors, which prevented many students from successfully submitting applications.[15] The release of Institutional Student Information Records (ISIRs) — the FAFSA submission information sent to colleges and universities — was also delayed until March 2024.[16] Typically, ISIRs are sent to institutions three to five days after a student submits the FAFSA online. Without ISIRs, colleges and universities cannot send financial aid offers to students, which is a critical component of their decision-making process when choosing a college.

In light of these delays and errors with both the FAFSA form and the processing of ISIRs, many colleges and universities extended their commitment and intent-to-enroll deadlines, and many states postponed their priority financial aid deadlines, which require the submission and completion of a FAFSA to ensure access to state aid.[17]

Institutions and states soon began to see the impact of these setbacks. By late March 2024, FAFSA completion rates across the country were nearly 40% lower than those of the previous award cycle. Although the gap had narrowed by late July 2024, completion rates still lagged by approximately 10% compared to the previous award cycle. When disaggregated by school demographic makeup, FAFSA completion rates of high schools with a higher concentration of students of color and students from low-income backgrounds were lower than those of high schools with fewer students of color and students from low-income backgrounds.[18]

The disparities in FAFSA completion rates by race, ethnicity, and socioeconomic status are alarming. Students from low-income backgrounds stand to benefit the most from Pell Grants and other Title IV financial aid programs yet are not completing the FAFSA at the same rates as their wealthier peers.

And while FAFSA data is currently protected by federal privacy laws, anxiety about how the Trump administration might misuse FAFSA data is growing among high school seniors from mixed-status families — i.e., those in which a U.S. citizen student has one or more undocumented parents. They've long been leery about government data collection and increasingly fear that sharing personally identifiable information could put family members at risk of detention and/or deportation. That's prompting more students to leave financial aid money on the table or forgo college entirely.

In seeking to address the general gaps in FAFSA completion as well as disparities by race, ethnicity, and socioeconomic status, many federal and state leaders have been left to consider which policies could best increase FAFSA completion rates. One policy under consideration in many states is the universal, or mandatory, FAFSA completion policy. This report explores the structure of these policies across different states and how they are being implemented. It also offers some recommendations for state legislators and state boards of education on ways to improve these policies and spur greater FAFSA completion and submission.

Overview

Twelve states have adopted a mandatory FAFSA policy that will affect high school seniors from the class of 2025, but policies, support systems, and instructions for local education agencies vary by state. For example, Louisiana was the first to implement a universal FAFSA policy in the 2017-18 school year but repealed it this year (i.e., 2024-25).[19] New Hampshire also repealed its policy this school year, just one year after implementation.[20] In New York and California, local education agencies (LEAs), rather than students, are ultimately responsible for ensuring that students submit a FAFSA. Similarly, Maryland requires LEAs to support students in submitting the FAFSA but does not have a FAFSA graduation requirement for students. In Colorado, only high schools that got a grant to support FAFSA completion have a FAFSA graduation requirement. More information on the details of these policies, their differences, and impacts can be found in the individual state sections of this report.

While this report provides preliminary observations on the effects that universal FAFSA policies can have on FAFSA submission, college enrollment among Pell Grant recipients, and Pell Grant amounts awarded to students, it's too soon to draw definitive conclusions about the impact of these policies. Some of these state policies were implemented during the pandemic or amid the rollout of the 2024-25 FAFSA, both of which led FAFSA submission and completion rates to fall nationwide. What's more, data on the enrollment of Pell Grant recipients is not immediately available from federal databases. The most recent data is for the 2022-23 school year, so there is only one year of information on the impact of universal FAFSA policies implemented for the high school class of 2022.

Despite the limited comprehensive data on the impact of these policies, more states are considering adopting universal FAFSA policies. It is, therefore, crucial to consider the design of these policies, best practices, and their impacts. In addition to policy and data analysis, this report offers policy and implementation recommendations aimed at increasing FAFSA completion and college enrollment among the students who stand to benefit the most — students of color and from low-income backgrounds. The recommendations highlight the importance of supporting students throughout the complex FAFSA completion and submission process and focus on the need to connect more students and their families with college access professionals, make all FAFSA information more accessible, and allow students to work with the staff members who are closest to them when deciding whether to opt out.

Students from low-income backgrounds stand to benefit the most from Pell Grants and other Title IV financial aid programs yet are not completing the FAFSA at the same rates as their wealthier peers

For a summary of the existing policies, see below:

State	Effective Year	Type	Opt Out?	Other Options?	FAFSA Required for State Aid?	Alternative for Undocumented Students?
Louisiana	2017-18	Regulatory	✓	✓	✓	
Illinois	2020-21	Statutory	✓	✓	✓	✓
Alabama	2021-22	Regulatory	✓		✓	
Colorado*	2021-22	Statutory	✓	✓	✓	✓
Maryland*	2021-22	Statutory	N/A	✓	✓	✓
Texas	2021-22	Statutory	✓	✓	✓	✓
California°	2022-23	Statutory	✓	✓	✓	✓
Indiana	2023-24	Statutory	✓		✓	
New Hampshire	2023-24	Statutory	✓			
Nebraska	2024-25	Statutory	✓		✓	
Oklahoma	2024-25	Statutory	✓		✓	
New York°	2024-25	Statutory	✓	✓	✓	✓
New Jersey	2024-25	Statutory	✓	✓	✓	✓
Connecticut	2026-27	Statutory	✓		✓	

Source: States' Official Statues and Administrative Code

°Requirement falls on local education agencies (LEAs), not students

**Design Differences: FAFSA completion not required for students statewide*

Regulatory vs. Statutory Policies

Most states have adopted these policies into statute. This means that the policies were proposed by the state's legislative body and signed into law before being put into effect. Louisiana and Alabama, however, adopted their policies through regulation, meaning the policies were proposed and approved by the state's board of education and housed under the state's administrative code.

As mentioned earlier, despite being the first state to require high school seniors to fill out the FAFSA, Louisiana repealed this policy for the 2024-25 school year. The repeal was arguably easier to accomplish because it was enacted through regulation and the vote of an 11-member board, rather than through a lengthier and more involved legislative approval process.

Opt-Out Policies

In most states, students can opt out of a universal FAFSA requirement. In some states, students can only opt out by completing a nonparticipation form with parental consent. In other states, principals and superintendents have the authority to waive the FAFSA completion requirement for students.

State	Opt-Out Policy
Alabama	Students may opt out by "certify[ing] a non-participation waiver, in writing, to the superintendent of the local education agency if the graduating senior chooses not to complete and submit FAFSA. Certification of the non-participation waiver may be completed by a parent, legal custodian, legal guardian, or a minor legally emancipated or of the legal age of majority."
California	"[T]he parent or legal guardian of the pupil, or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, may opt out of the requirements of this section by filling out and submitting an opt-out form to the local educational agency."
Colorado	Students must complete the FAFSA "unless the requirement is waived under conditions described by the local education provider."
Connecticut	"No local or regional board of education shall permit any student to graduate from high school or grant a diploma to any student pursuant to section 10-221a, as amended by this act, unless such student" has ... "(3) completed a waiver, in accordance with the provisions of subsection (b) of this section and on a form prescribed by the Commissioner of Education, signed by such minor student's parent or legal guardian or by such student if such student is a legally emancipated minor or eighteen years of age or older."
Illinois	"[O]n a form created by the State Board of, Education," a student may "file a waiver with the student's school district indicating that the parent or guardian or, if applicable, the student understands what the Free Application for Federal Student Aid and application for State financial aid are and has chosen not to file an application under paragraph (1)."
Indiana	"[A] student is not required to comply with subsection (c) if: (1) a parent of the student or the student, if the student is an emancipated minor, submits a signed waiver certifying that the student understands what the FAFSA is and declines to complete it; or (2) the principal or school counselor of the student's high school waives the requirement for a group of students due to the principal or school counselor being unable to reach the parents of the students by April 15 of the school year after at least two reasonable attempts to contact the parents."

State	Opt-Out Policy
Louisiana	"[A] parent or legal custodian, or a student legally emancipated or of the legal age of majority, may certify a waiver in writing to the LEA if he refuses to complete such an application."
Maryland	N/A
Nebraska	"[A] public high school student is not required to comply with the requirement if the (i) parent or legal guardian, (ii) the school principal or school principal's designee, (iii) or a student who is nineteen years of age or older, or an emancipated minor, signs and submits the appropriate waiver stating that the student declines to complete the FAFSA."
New Hampshire	A student may "file a waiver on a form created by the state board of education with the student's school district indicating that the parent or guardian or, if applicable, the student, understands what the Free Application for Federal Student Aid is and has chosen not to file an application."
New Jersey	"A student shall be exempt from the requirement in subsection a. of this section if the student or the student's parent or guardian submits to the school district or charter school a waiver form signed by the parent or guardian, or by the student if the student is at least 18 years of age, requesting the exemption from the requirement."
New York	A student may opt out by completing "a waiver form promulgated by the department indicating that the parent or guardian or, if the student is eighteen years of age or older or legally emancipated, the student understands what the free application for federal student aid or, if applicable, the Jose Peralta New York State DREAM Act application are and has chosen not to file an application pursuant to the provisions of subparagraph one of this paragraph. For purposes of this subdivision, verification of completion of either the free application for federal student aid or the Jose Peralta New York State DREAM Act application shall not require a parent, guardian, or student to identify which type of application was completed."
Oklahoma	"[A] student shall not be required to comply with the provisions of subsection A of this section if: (1) the student's parent or legal guardian submits a signed form authorizing the student to opt out of the requirements, (2) a student age eighteen (18) or older submits a signed form authorizing him or her to opt out of the requirement; or (3) a school counselor authorizes a student to opt out of the requirement of subsection A of this section."
Texas	"[A] student is not required to comply […] if: (1) the student's parent or other person standing in parental relation submits a signed form indicating that the parent or other person authorizes the student to decline to complete and submit the financial aid application; (2) the student signs and submits the form described by Subdivision (1) on the student's own behalf if the student is 18 years of age or older or the student's disabilities of minority have been removed for general purposes [...] or (3) a school counselor authorizes the student to decline to complete and submit the financial aid application for good cause, as determined by the school counselor."

Source: States' Official Statutes and Administrative Codes

Not every student qualifies for federal student aid, so opt-out policies are crucial. To qualify for aid programs offered through the FAFSA, students must demonstrate financial need, be a U.S citizen or eligible noncitizen, be enrolled in a degree or certificate program, and consent to the release of their federal tax information.[21] Any student who does not meet any one of these eligibility criteria can reasonably be expected not to complete the FAFSA.

Opt-out policies ensure that students who are ineligible for federal student aid can meet their graduation requirements. They also let students seek an exemption without having to disclose why. This is especially important for undocumented students whose status may not be known to their teachers and school.

To ensure that students and their families fully understand the importance of the FAFSA and to encourage eligible students to make informed decisions before declining to fill out the FAFSA, some states require parents to sign a nonparticipation waiver acknowledging that they are opting their child out of the FAFSA graduation requirement. Students who are 18 or older can sign the form themselves. The nonparticipation forms of California and Illinois include "Frequently Asked Questions" that address common questions and concerns, such as these:

- What is the FAFSA?
- Is the application too long and difficult to complete?
- How is FAFSA data protected? I don't want my information sold and I don't want my school to have access to it.

Model Policy:

> **Indiana**: *"[A] student is not required to comply with [the FAFSA graduation requirement] if: (1) a parent of the student or the student, if the student is an emancipated minor, submits a signed waiver certifying that the student understands what the FAFSA is and declines to complete it; or (2) the principal or school counselor of the student's high school waives the requirement for a group of students due to the principal or school counselor being unable to reach the parents of the students by April 15 of the school year after at least two reasonable attempts to contact the parents"*

Indiana's opt-out policy requires parents to sign a waiver and mandates that schools contact the parent(s) if consent is missing, ensuring that parents are informed when students opt out of the FAFSA graduation requirement. Importantly, the policy allows school principals and counselors to waive the requirement if they have made an effort to contact the student's parent(s). By granting this authority to principals and counselors, students can work with their schools to waive the requirement if they are ineligible for federal aid through the FAFSA or if their parents are unwilling or unable to sign the waiver.

Alternatives to the FAFSA

As noted earlier, not all U.S. high school students are eligible for federal aid through the FAFSA. Undocumented students, for example, do not qualify for federal aid programs but may still wish to pursue a postsecondary education. Several states offer state aid to undocumented students, despite their ineligibility for federal assistance. To qualify for state aid, undocumented students must complete state-specific financial aid applications. These states allow students to use their state-specific financial aid application as an alternative to the FAFSA to meet their graduation requirements.

State	Alternative to FAFSA for Undocumented Students?
Alabama	No
California	Yes – California Dream Act Application (CADAA)
Colorado	Yes – Colorado Application for Student Financial Aid (CASFA)
Connecticut	No
Illinois	Yes – Alternative Application for Illinois Financial Aid
Indiana	No
Louisiana	No
Maryland	Yes – Maryland State Financial Aid Application (MSFAA)
Nebraska	No
New Hampshire	No
New Jersey	Yes – New Jersey Alternative Financial Aid Application (NJAFAA)
New York	Yes – Jose Peralta New York DREAM Act Application
Oklahoma	No
Texas	Yes – Texas Application for State Financial Aid (TASFA)

FAFSA Requirements for State Financial Aid

In addition to federal aid, college financial aid packages often include state aid. To allocate state aid, states typically require students to complete the FAFSA and use the reported financial information to determine a student's financial need. Each state featured in this report requires students to submit the FAFSA to be eligible for many state aid programs. The only exception is New Hampshire, which has no state-specific financial aid or grant programs.

A Note on Language: Submission vs. Completion

In this report, FAFSA submission and completion are discussed across different state policies as shown in each state's data chart. However, there are important differences in how the terms "submission" and "completion" are used based on context.

In state law, legislators refer to the requirement of the "completion and submission" of the FAFSA. This means that the student fills out the FAFSA form ("completion") and then submits it online for processing by the Department of Education ("submission"). However, in the data provided by Federal Student Aid, "submission" refers to a high schooler submitting their FAFSA form online for processing, while "completion" refers to a successfully processed FAFSA form that determines eligibility for federal financial aid. When students submit their FAFSA, their form might contain errors or lack key information necessary for processing by the Department of Education. Students must log on to their Federal Student Aid account to edit their FAFSA and resubmit it with the corrected or additional information to be reprocessed and marked as "complete."

In this report, the language describing the state policies mirrors that of state law, while the charts showing differences in FAFSA submission and completion rates use the definition of Federal Student Aid.

State Overviews

The following section includes detailed descriptions of each state's universal FAFSA policy, along with data on FAFSA submission and completion rates before and after policy implementation. Each state's overview features a "Fast Facts" section, which highlights important details and effects of the policy. This includes the year the policy was implemented, whether students have the option to opt out of the requirement, whether there is an alternative to the FAFSA, whether the FAFSA is required for state aid, and changes in FAFSA submission and completion rates in the first year of implementation.

Detailed information on the methodology used to produce FAFSA submission and completion data can be found at the end of this report. Across all the states, there was a noticeable drop in FAFSA submission and completion rates from the class of 2023 to the class of 2024. This decline is attributable to the rollout of the revised 2024-25 FAFSA, which was intended to simplify the application process for students and families, but complicated matters due to significant problems and delays.

Alabama

Fast Facts

Implementation Year: Class of 2022

Opt Out?: Yes

Alternative to FAFSA?: No

Required for State Aid?: Yes

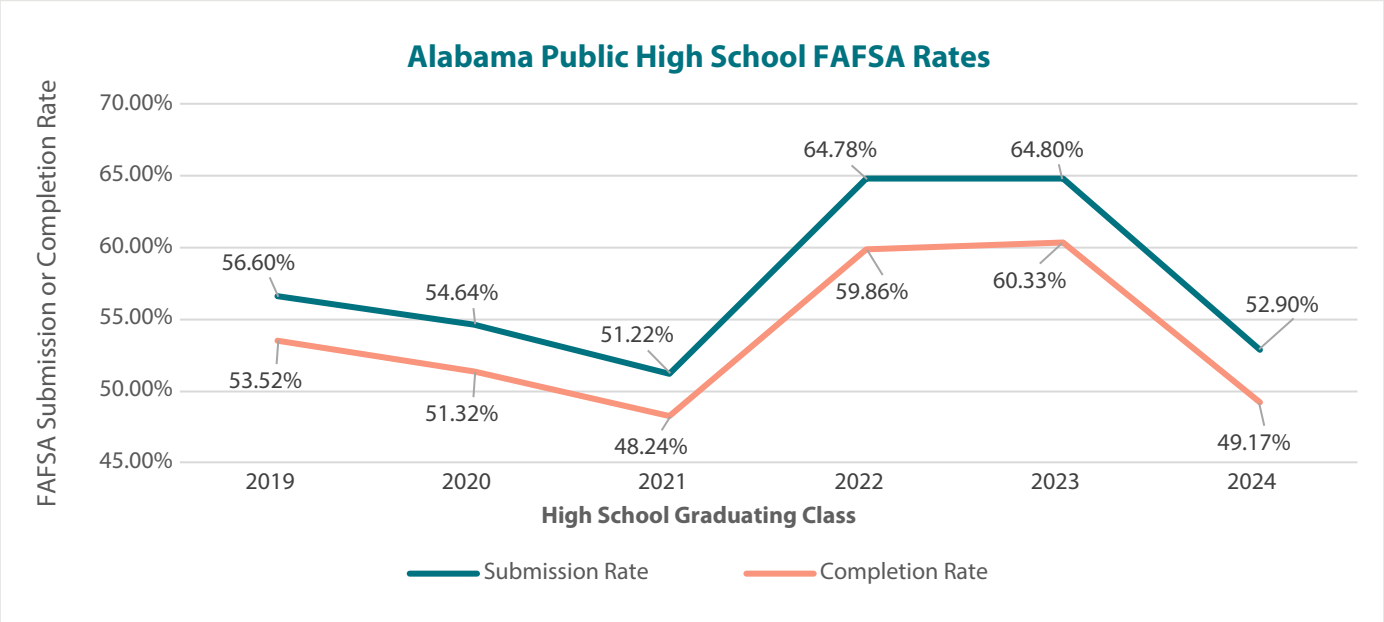
FAFSA Submission Rate Change: +13.6%

FAFSA Completion Rate Change: +11.8%

Details

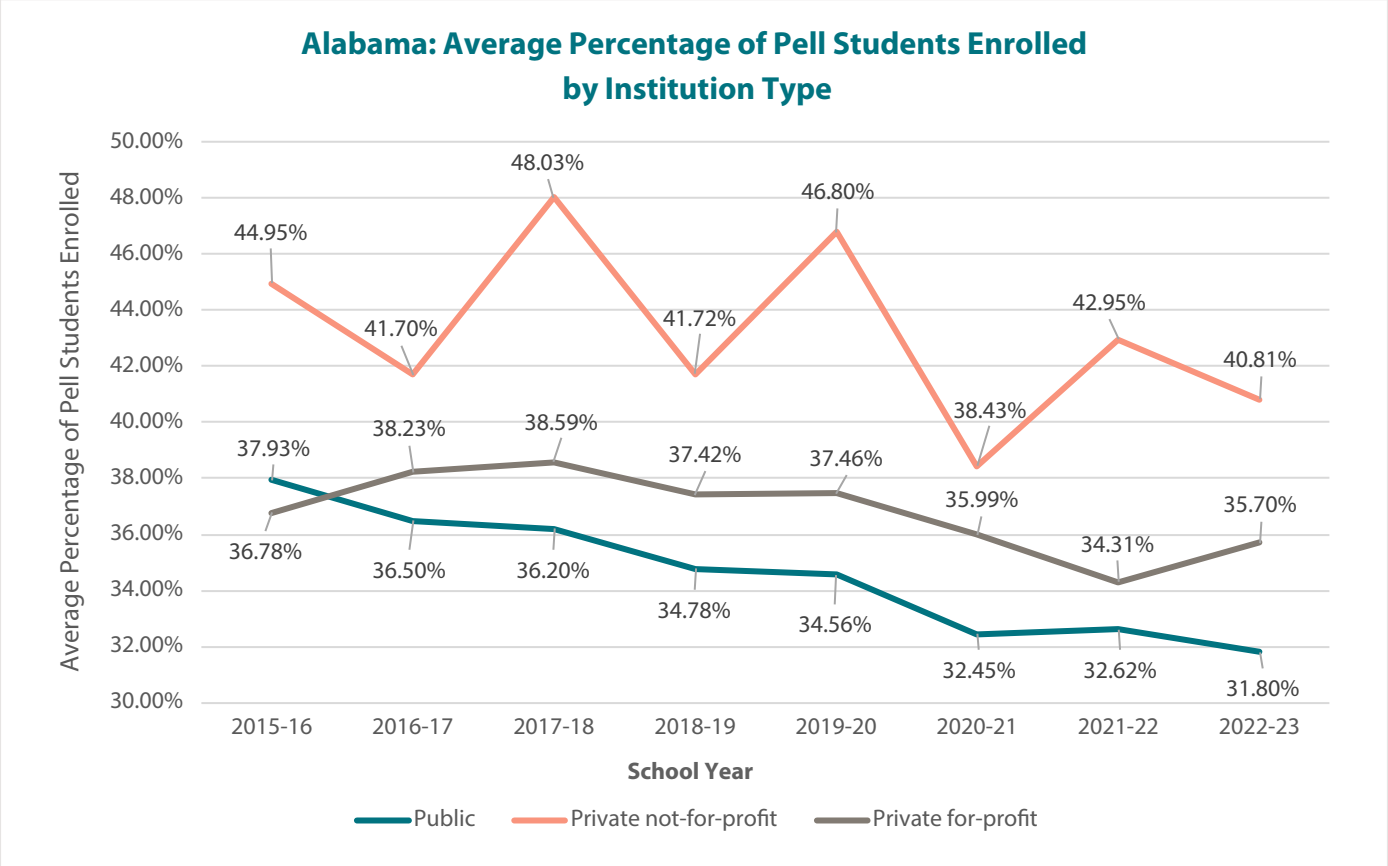
In the spring of 2021, Alabama's Board of Education approved a proposal to make FAFSA submission a graduation requirement for high school seniors, beginning with the class of 2022.[22] Students may get the requirement waived by having their parent, legal custodian, or guardian complete a nonparticipation form or by completing the form themselves (if they are legally emancipated or of the age of majority). If the student does not submit a FAFSA and cannot secure a nonparticipation waiver, the district superintendent may waive the requirement at the recommendation of the student's school principal and counselor.

Alabama's policy requires school districts to provide support to high school juniors, seniors, and their families as they complete the FAFSA, but does not provide additional financial support to increase FAFSA completion.

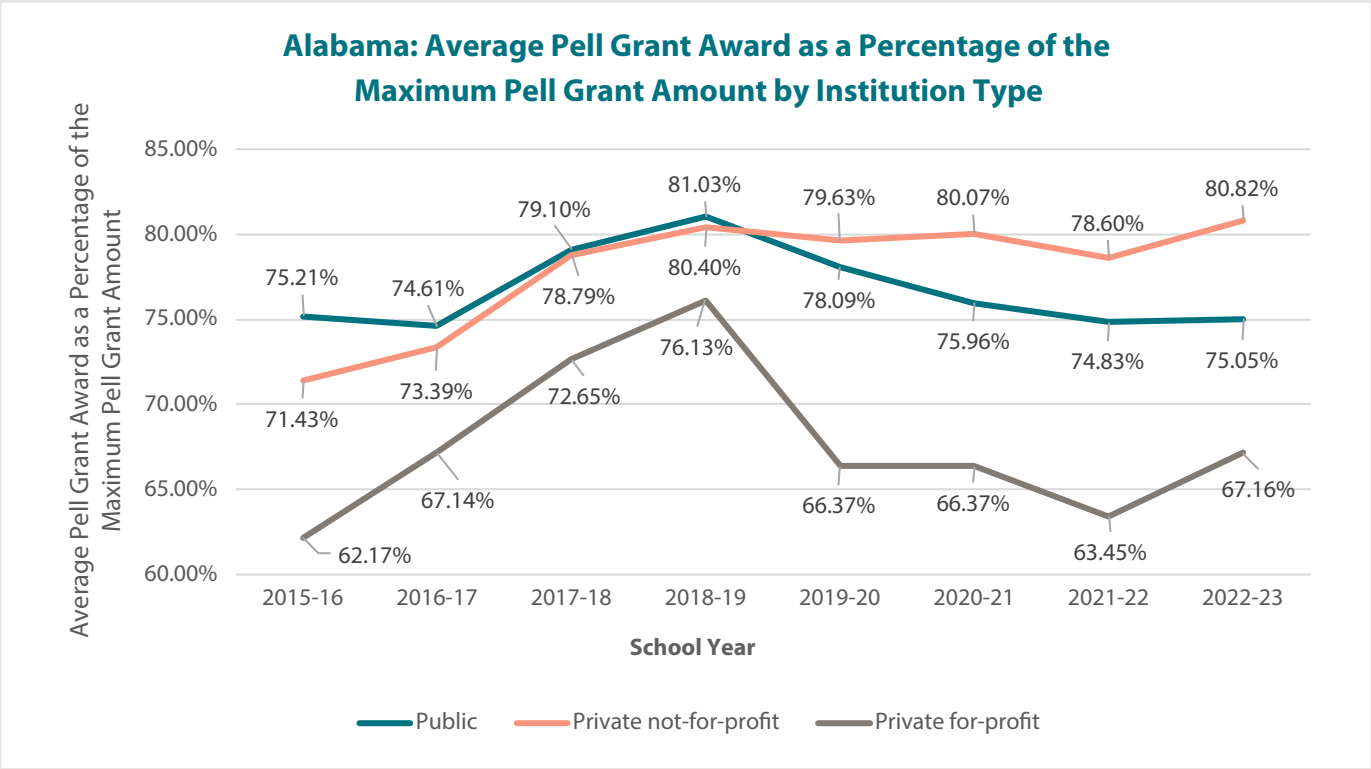


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

Although college-attendance rates for public high school graduates fell steeply across the country during the pandemic, the state saw significant improvements in FAFSA completion and submission rates after implementing the new requirement that high school seniors complete the form to graduate. Among the high school class of 2022, the first cohort required to submit the FAFSA, Alabama experienced a 13.6% jump in FAFSA submissions, and an 11.8% increase in FAFSA completions. Notably, since the implementation of this requirement, Alabama has seen a widening gap between FAFSA submissions and completions. Before this requirement was implemented, the average gap between submission and completion rates was 3.12%, but it increased to 4.37% afterward.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

Since Alabama implemented a FAFSA graduation requirement for the high school class of 2022, the potential impact of this policy on college enrollment among students from low-income backgrounds would have been seen in the 2022-23 school year. The charts above show the percentage of Pell Grant recipients at Alabama colleges and universities over the last 10 years and the average Pell Grant awarded to them as a percentage of the maximum Pell Grant.

The last data point for the 2022-23 school year offers a glimpse of the potential impact of Alabama's mandatory FAFSA requirement. It is important to note, however, that the Pell Grant recipients potentially affected by this policy would have represented a mere fraction of those enrolled at Alabama higher education institutions.

At public and private not-for-profit institutions, the share of the total undergraduate population receiving a Pell Grant decreased, while it increased at for-profit institutions. Across all types of institutions, the average percentage of the maximum Pell Grant awarded to students has increased. The greatest increase occurred at for-profit institutions, reversing the decline seen over the previous three school years.

California

Fast Facts

Implementation Year: Class of 2023

Opt Out?: Yes

Alternative to FAFSA?: Yes, California Dream Act Application (CADAA)

Required for State Aid?: Yes

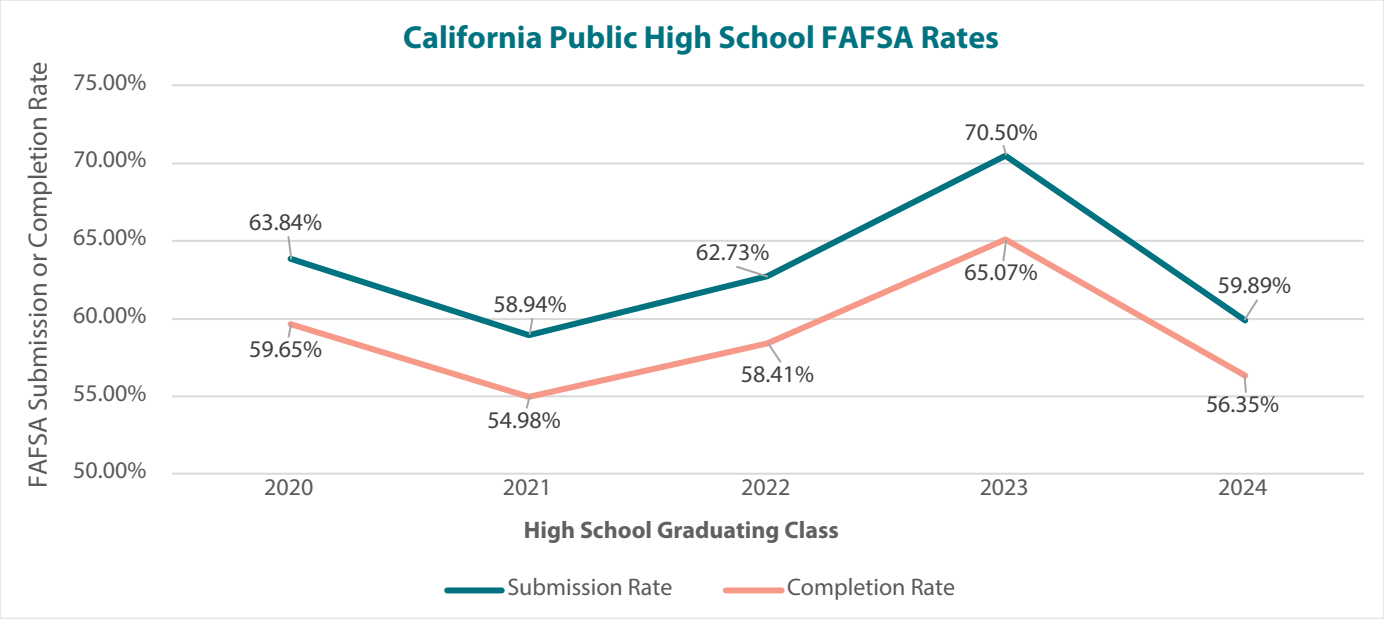
FAFSA Submission Rate Change: +7.8%

FAFSA Completion Rate Change: +6.7%

Details

In October 2021, California's governor signed into law Assembly Bill No. 469, which requires local education agencies to confirm that high school seniors complete either the FAFSA or CADAA, starting with the class of 2023.[23] Students can opt out of completing the FAFSA or CADAA if their parent or legal guardian fills out an opt-out form. Students who are 18 years of age or older, or emancipated minors, can complete the form themselves. Local education agencies may also fill out the opt-out form on behalf of a student if they determine that the student is unable to complete the FAFSA, CADAA, or obtain an opt-out form. Importantly, the law states that a student's ability to graduate will not be affected by their completion or noncompletion of the FAFSA, CADAA, or an opt-out form.

California's College Guidance Initiative and Student Aid Commission are two organizations named in the law that receive state funding to support college access and FAFSA completion. In the approved 2024-25 budget, the California College Guidance Initiative received more than $2 million in funding, while the California Student Aid Commission received more than $3.5 million.



Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

Following the implementation of the policy, California experienced a significant increase in FAFSA submissions and completions among the class of 2023, despite it not being a strict graduation requirement. FAFSA submissions rose by 7.8%, while completions increased by 6.7%.

Colorado

Fast Facts

Implementation Year: Class of 2022

Opt Out?: Yes

Alternative to FAFSA?: Yes, Colorado Application for Student Financial Aid (CASFA)

Required for State Aid?: No

FAFSA Submission Rate Change: +0.8%

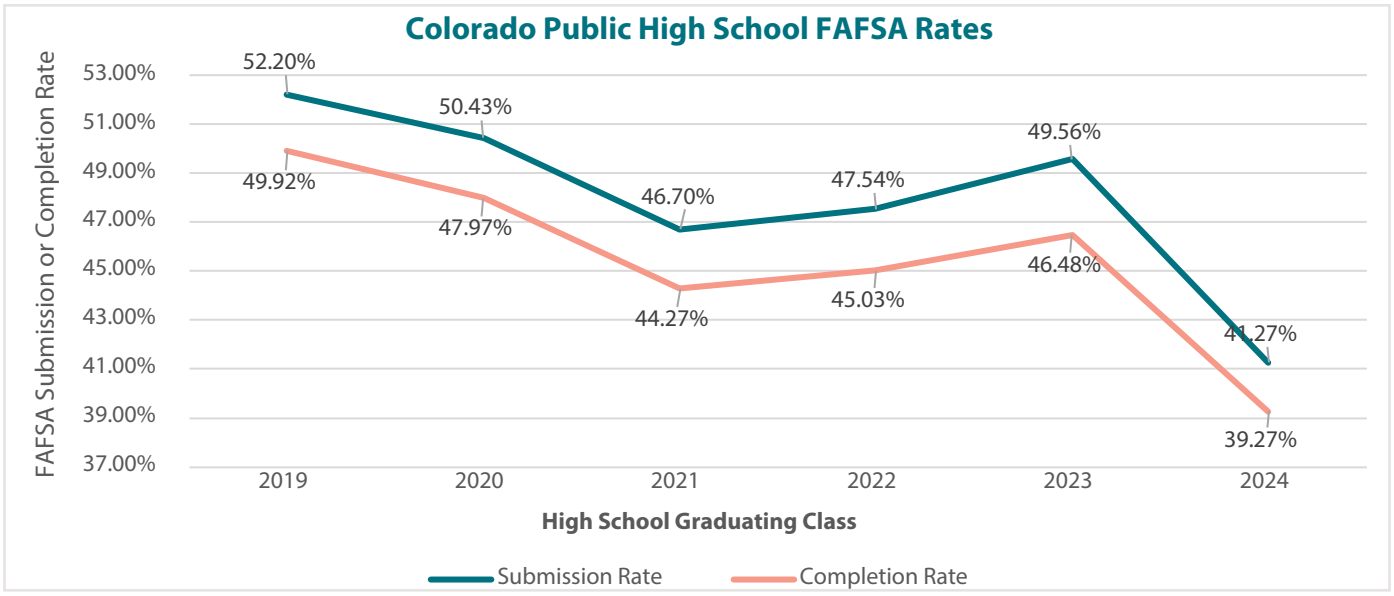
FAFSA Completion Rate Change: +0.7%

Details

In June 2021, Colorado's governor signed into law House Bill 21-1330, which created a grant program to support local education agencies (LEAs) in their efforts to increase the number of students completing the FAFSA or CASFA before graduation.[24] To be eligible for the grant, LEAs must require students in their school districts to complete and submit the FAFSA or CASFA as a condition for high school graduation. The grant also mandates that LEAs create a plan outlining how students can opt out of the FAFSA/CASFA graduation requirement. To facilitate FAFSA/CASFA completion, the law encourages the use of grant funds for strategies such as hiring additional school counselors, conducting student-family financial aid awareness campaigns, and increasing the number of students who complete college admissions applications. The grant program, called the "Fund My Future" program, is administered by the Colorado Department of Higher Education and the Opportunity Scholarship Fund and it was launched in January 2022. The program is set to expire in 2026 and has awarded $1.6 million to five Colorado high schools to provide support over four years.

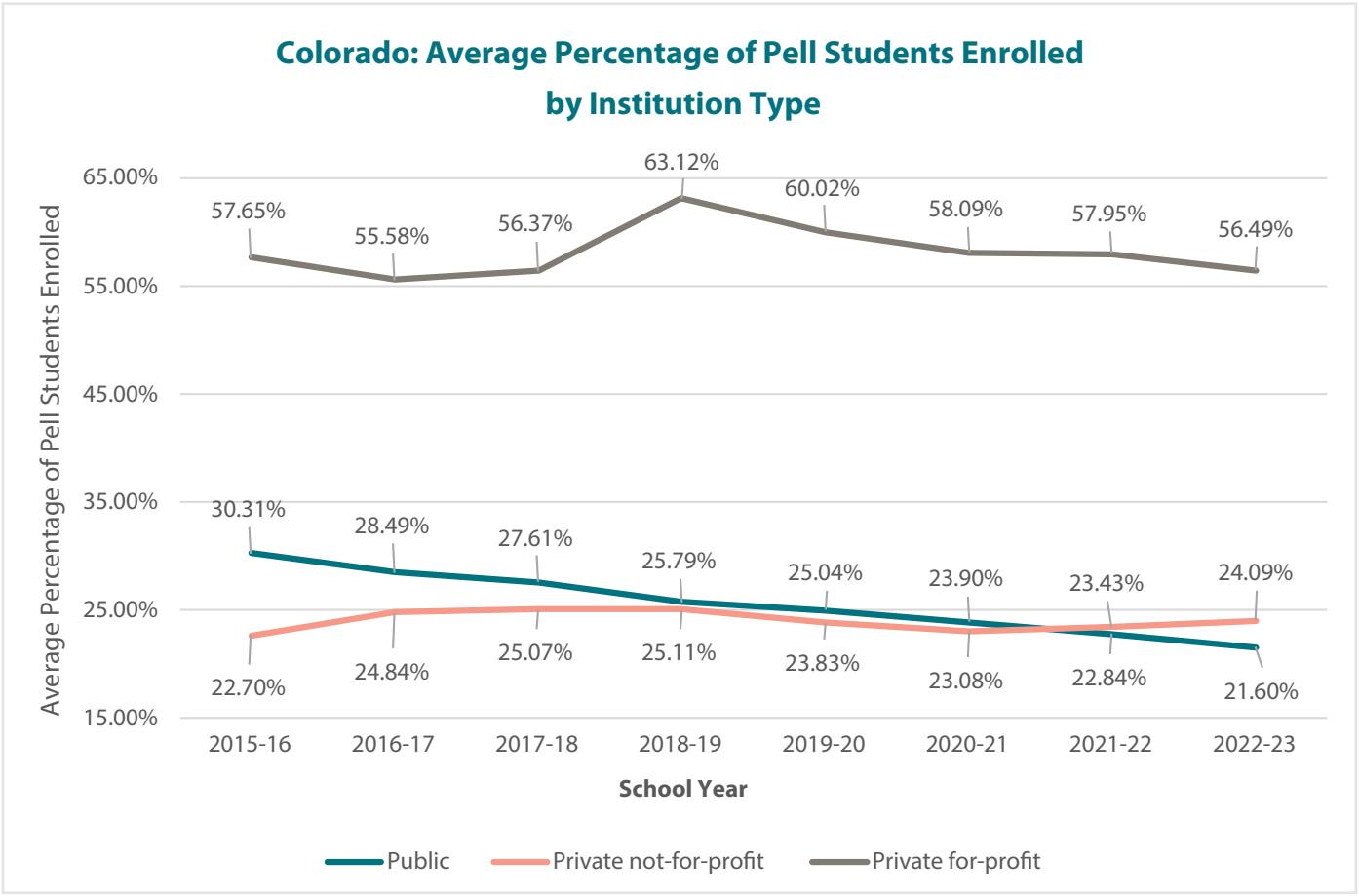
In the same legislation that authorized the Fund My Future program, a financial aid application working group was established to make recommendations on increasing FAFSA/CASFA submissions. The working group's report, published in January 2022, recommended that a statewide FAFSA/CASFA high school graduation requirement not be adopted until there is sufficient financial support to provide the resources needed for LEAs to implement it.

In addition to the Fund My Future program, the Colorado Department of Education launched the Postsecondary, Workforce, Career, and Education Grant, which was signed into law in May 2022. This grant aims to support the LEAs in their efforts to increase postsecondary pathways available to students and improve FAFSA/CASFA completion rates. The grant encourages initiatives such as training school counselors on FAFSA best practices, organizing FAFSA completion nights, and collaborating with local college access organizations. Effective in the 2022-23 fiscal year, LEAs can apply for grants ranging from $1,000 to $15,000 per year. The grant program has been allocated approximately $1 million over three years and is set to expire in 2027.

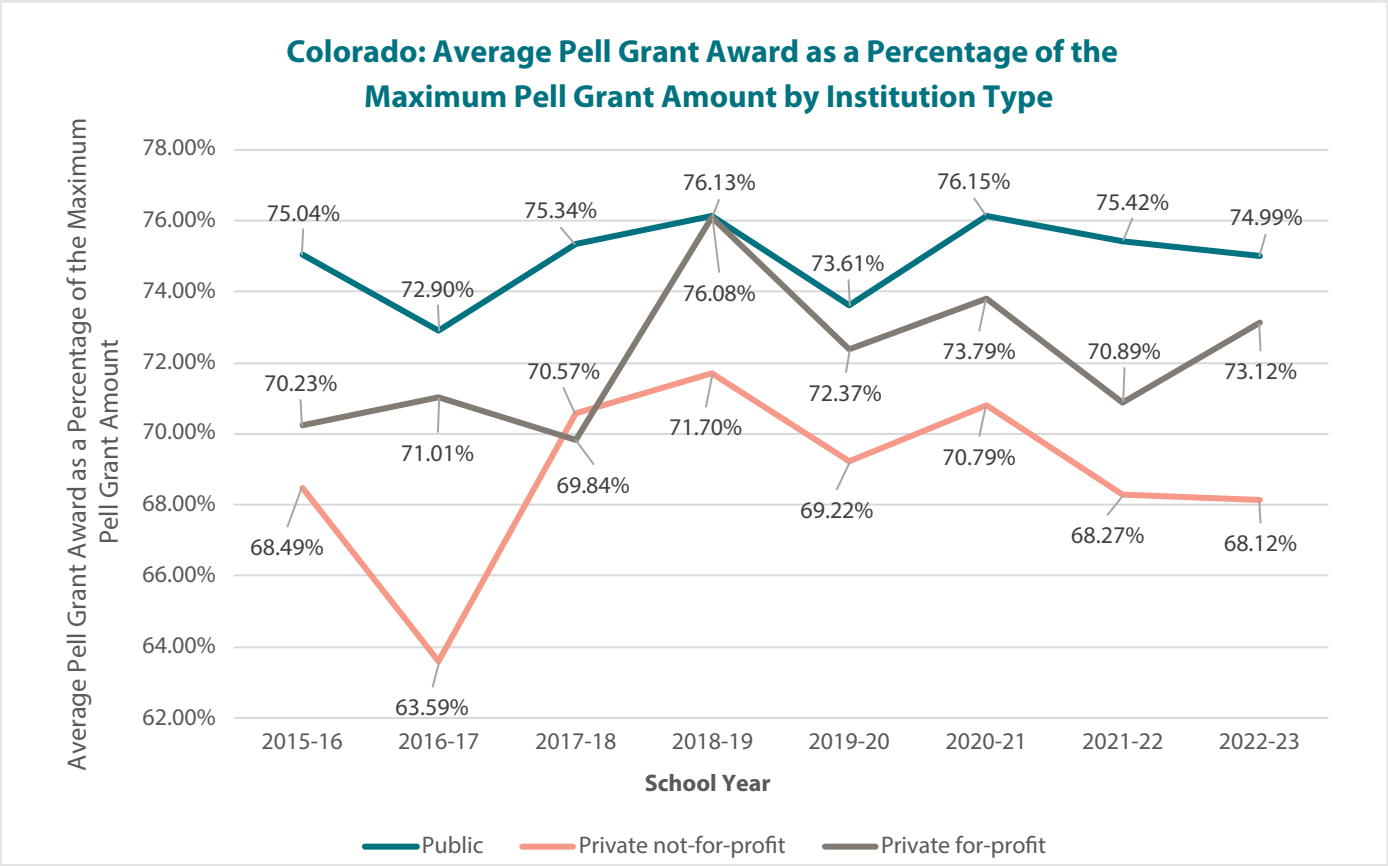


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

After the implementation of the Fund My Future grant for the class of 2022, Colorado saw a small uptick in FAFSA submissions (0.8%) and completions (0.7%). Submissions and completions continued to rise among the class of 2023 but fell among the class of 2024 with the chaotic rollout of the 2024-25 FAFSA.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

Colorado implemented its FAFSA graduation requirement grant program at some high schools for the class of 2022, so the potential impact on college enrollment among students from low-income backgrounds who attended those schools would have been visible in the 2022-23 school year. The charts above show the percentage of Pell Grant recipients at Colorado colleges and universities over the last 10 years and the average Pell Grant award as a percentage of the maximum Pell Grant amount.

The last data point for the 2022-23 school year offers a glimpse of the potential impact of Colorado's FAFSA graduation requirement grant program. It is, however, important to note that the Pell Grant-recipients potentially affected by the FAFSA policy would have represented a tiny fraction of the Pell recipients enrolled at Colorado higher education institutions, since the affected students came from just four high schools.

Public and private for-profit institutions experienced slight decreases in the percentage of students who were Pell Grant recipients, while private not-for-profit institutions saw a slight increase. Public and not-for-profit higher education institutions saw nominal decreases in the average percentage of the maximum Pell Grant awarded to Pell recipients, while for-profit colleges saw a slight increase of 2.23%.

Connecticut

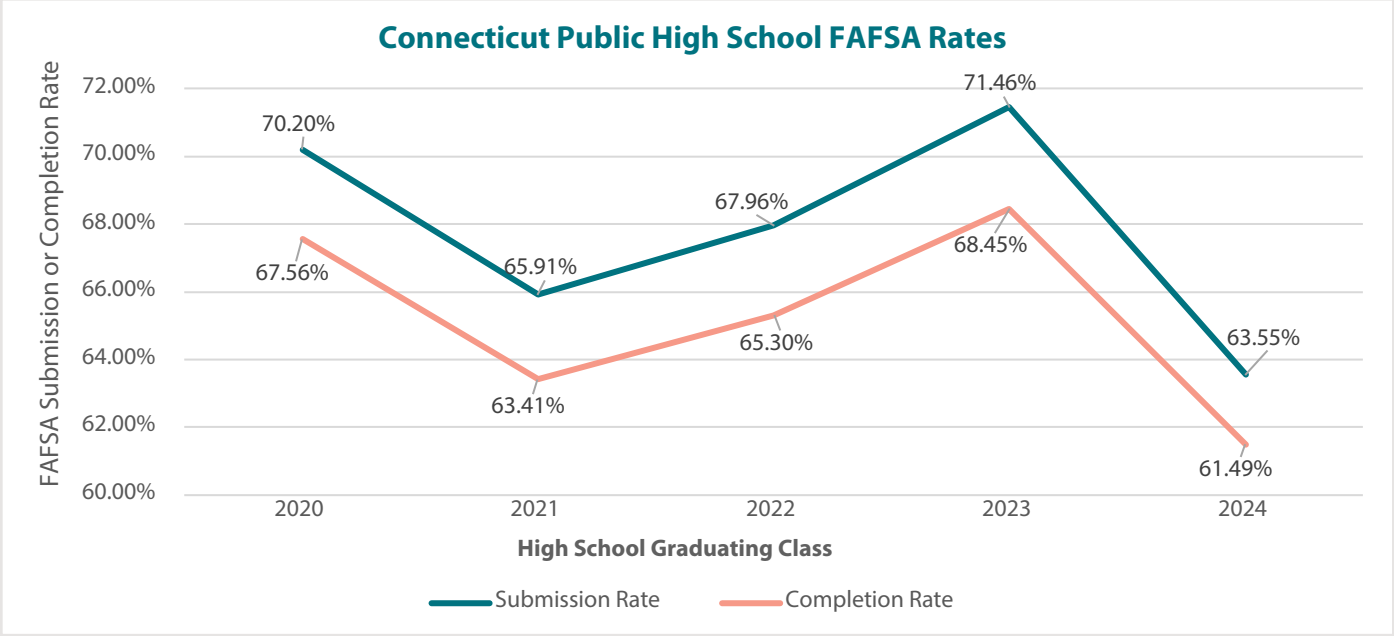
Fast Facts

Implementation Year: Class of 2027 **Opt Out?: Yes**

Alternative to FAFSA?: No [25] **Required for State Aid?: Yes**

Details

In May 2024, Connecticut's governor signed into law House Bill 5437, which mandates FAFSA completion as a requirement for high school graduation starting with the class of 2027.[26] For students without legal status, Connecticut requires them to apply to a public institution in the state and complete that institution's application for institutional aid. To waive either of these requirements, the law stipulates that a waiver must be completed either by the student's parent or legal guardian, or by the student themselves if they are legally emancipated or 18 years of age or older. If a family elects to opt out of the requirement by completing the waiver form, they are not obligated to disclose their reason for opting out. The student's principal, counselor, or teacher may complete the waiver on behalf of the student by March 15 of the school year, if an effort has been made to contact the student and their family about completing the FAFSA, an application for institutional aid, or a waiver.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

Illinois

Fast Facts

Implementation Year: Class of 2021

Opt Out?: Yes

Alternative to FAFSA?: Yes, Alternative Application for Illinois Financial Aid

Required for State Aid?: Yes

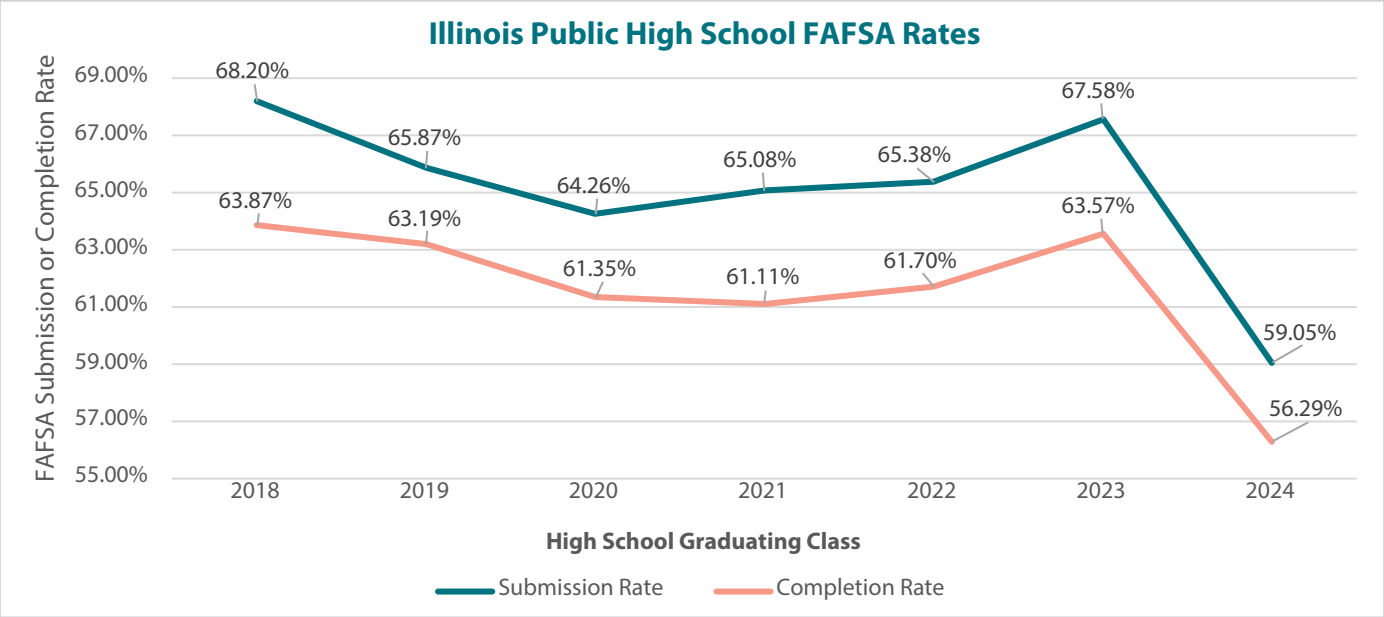
FAFSA Submission Rate Change: +0.8%

FAFSA Completion Rate Change: -0.2%

Details

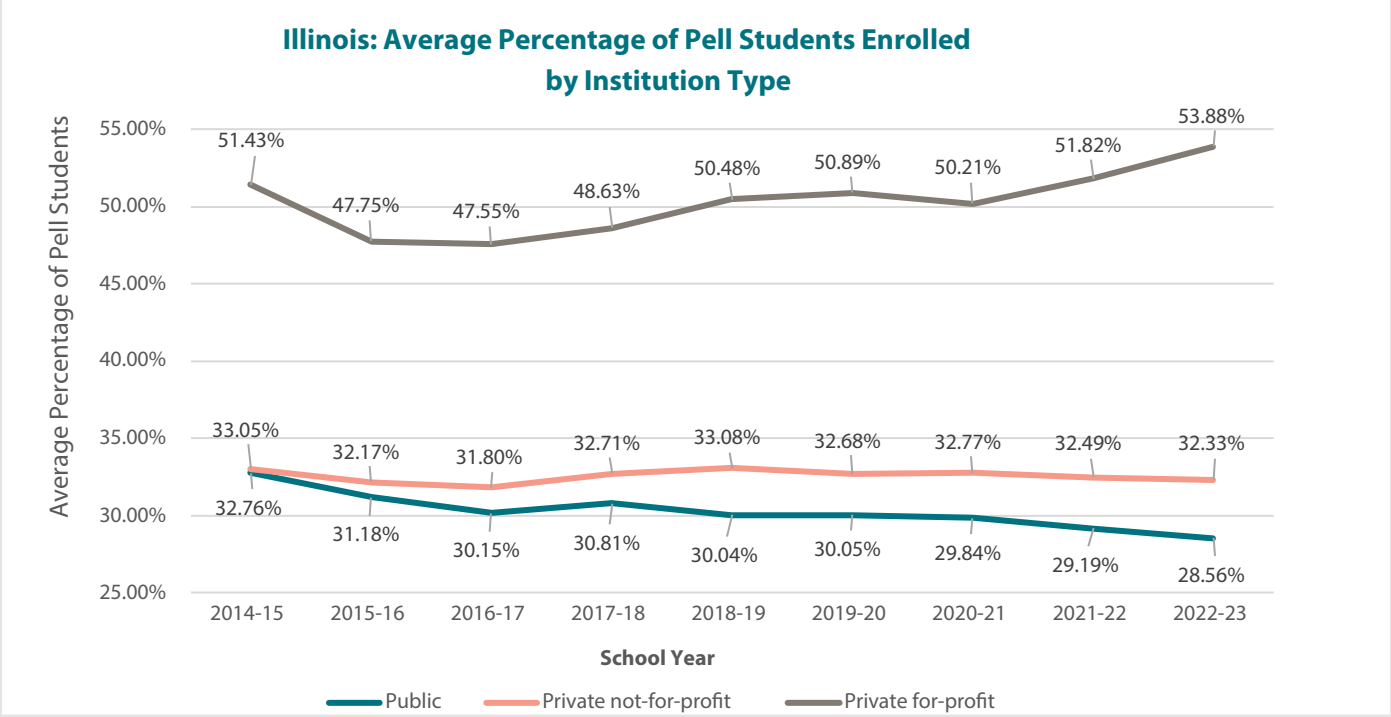
In August 2019, Illinois' governor signed House Bill 2719 into law, making FAFSA completion a graduation requirement for high school seniors. This made Illinois the second state to adopt such a requirement.[27] Students can opt out of the requirement if their parent or guardian completes an opt-out waiver, indicating that they understand the purpose of the FAFSA but wish to opt out anyway. The law also authorizes the State Board of Education to adopt additional rules regarding the requirement. The State Board of Education introduced the Alternative Application for Illinois Financial Aid to help fulfill the requirement and mandates that school districts assist students and families in completing financial aid applications. This requirement took effect for the class of 2021.

To support FAFSA completion across in Illinois, the state has the Illinois Student Assistance Commission's ISACorp, a program where recent college graduates serve as college application mentors for high schoolers and their families.[28] For the 2025 fiscal year, Illinois appropriated $7.84 million for outreach and operating expenses through ISACorp.[29]

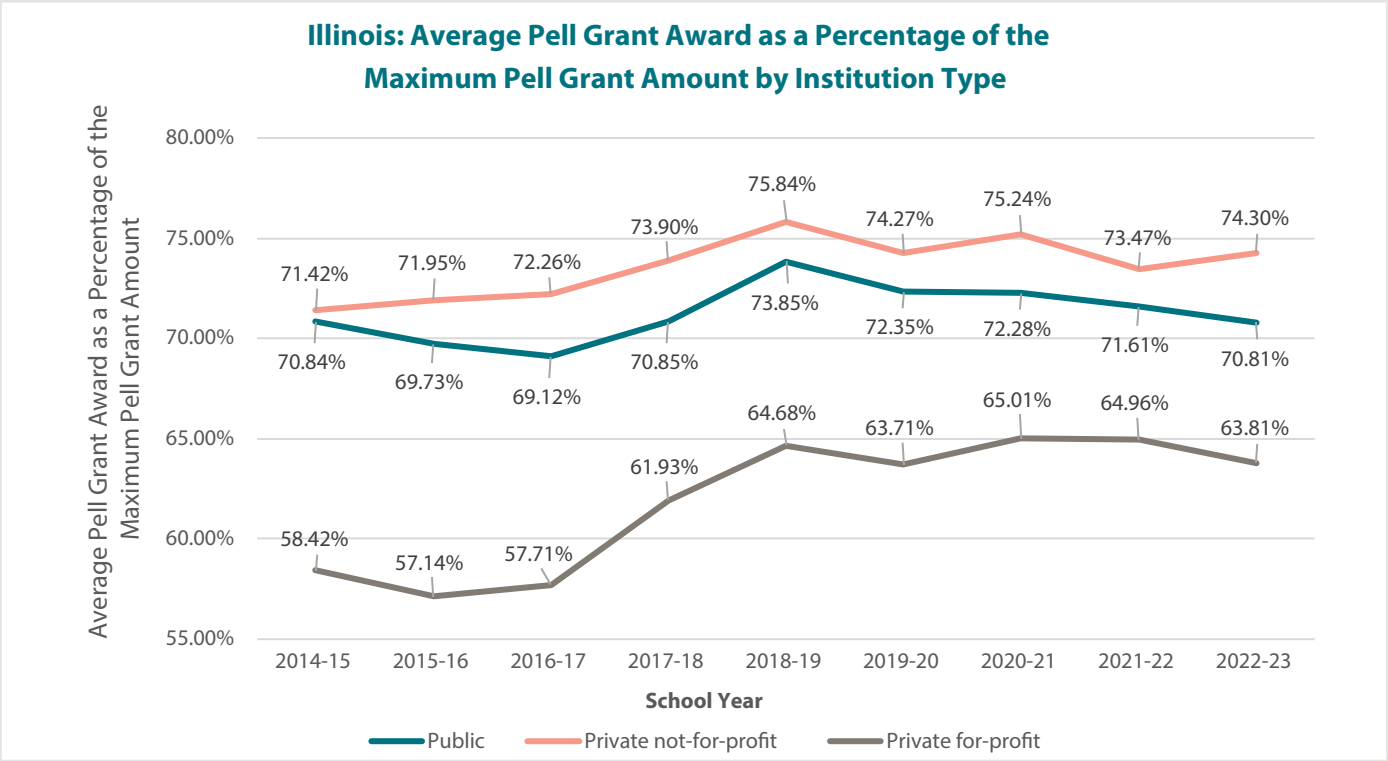


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

Illinois' first year of implementing the graduation requirement for the class of 2021 produced a result unlike any other state. While the FAFSA submission rate increased by a modest 0.8%, the FAFSA completion rate decreased by 0.2%. Nationwide, the class of 2021 saw declines in FAFSA submission and completion rates due to the pandemic's impact on college applications and enrollment. Following this, FAFSA submission and completion rates steadily rose before declining again among the class of 2024, due to the rollout of the 2024-25 FAFSA.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

Since Illinois implemented its FAFSA graduation requirement for the high school class of 2021, the potential impact of this policy on college enrollment among students from low-income backgrounds would have first been evident in the 2021-22 school year. The charts above show the percentage of Pell Grant recipients at Illinois colleges and universities over the last 11 years, as well as the average Pell Grant award (as a percentage of the maximum Pell Grant). The last two data points, from the 2021-22 and 2022-23 school years, provide a glimpse of the potential impact of Illinois' mandatory FAFSA requirement. It is important to note, however, that the Pell recipients potentially affected by this policy would comprise only a fraction of the total number of Pell recipients enrolled at Illinois higher education institutions.

In the two years since the policy was implemented, the percentage of the students who were Pell Grant recipients decreased nominally at public and private not-for-profit institutions. At private for-profit institutions, the share of the students who were Pell Grant recipients increased by 3.67%. Additionally, the average percentage of the maximum Pell Grant awarded to students at public institutions has decreased by 1.47% and decreased by 1.2% at for-profit institutions. At nonprofit institutions, the average percentage of the maximum Pell Grant awarded fell by 1.77% in the first year of implementation but then increased by 0.83% in the following year.

Indiana

Fast Facts

Implementation Year: Class of 2024

Opt Out?: Yes

Alternative to FAFSA?: No

Required for State Aid?: Yes

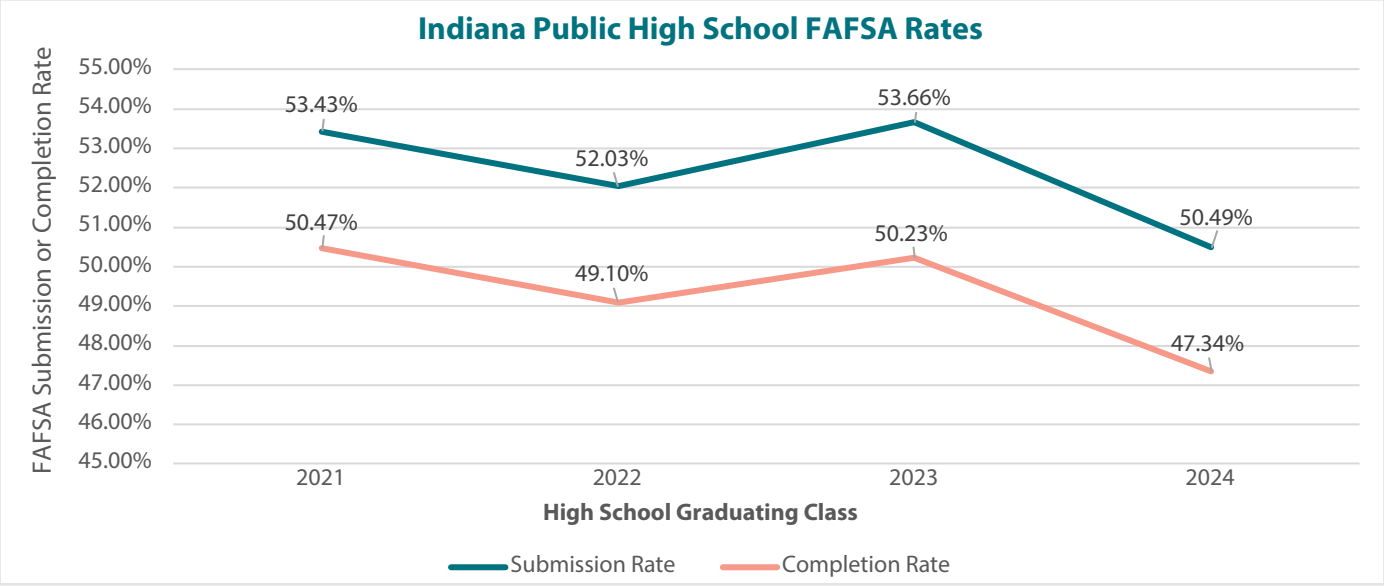
FAFSA Submission Rate Change: -3.2%

FAFSA Completion Rate Change: 2.9%

Details

In April 2023, Indiana's governor signed into law Senate Bill 167, which requires high school seniors to complete and submit the FAFSA prior to April 15 of their senior year.[30] Students can receive an exemption from this requirement if their parents complete an opt-out waiver, or if the student is an emancipated minor and submits an opt-out waiver themselves. School principals and counselors also have the authority to waive the requirement for students, provided they have made two reasonable attempts to contact the student's parent(s). Indiana implemented this requirement for the class of 2024, and the policy is set to expire on June 30, 2033.

In addition to the FAFSA graduation requirement, Indiana has implemented other FAFSA-related laws. Beginning in the 2022-23 school year, each school is required to provide high school seniors and their families with information about the FAFSA and its benefits, Indiana's state financial aid program, and labor market trends and employment opportunities in the state that necessitate education beyond high school.



Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

While Indiana saw a decrease in FAFSA submission and completion rates among the class of 2024, the first class to experience the FAFSA requirement, this decrease may be attributed to the chaotic rollout of the 2024-25 FAFSA. Indiana's high school FAFSA requirement could explain why the state experienced only a 2.9% decrease in FAFSA completions compared to the national average decrease of 10% by July 31.

Louisiana

Fast Facts

Implementation Year: Class of 2018

Opt Out?: Yes

Alternative to FAFSA?: Yes, Application for a Taylor Opportunity Program for Students (TOPS) Award[31]

Required for State Aid?: Yes

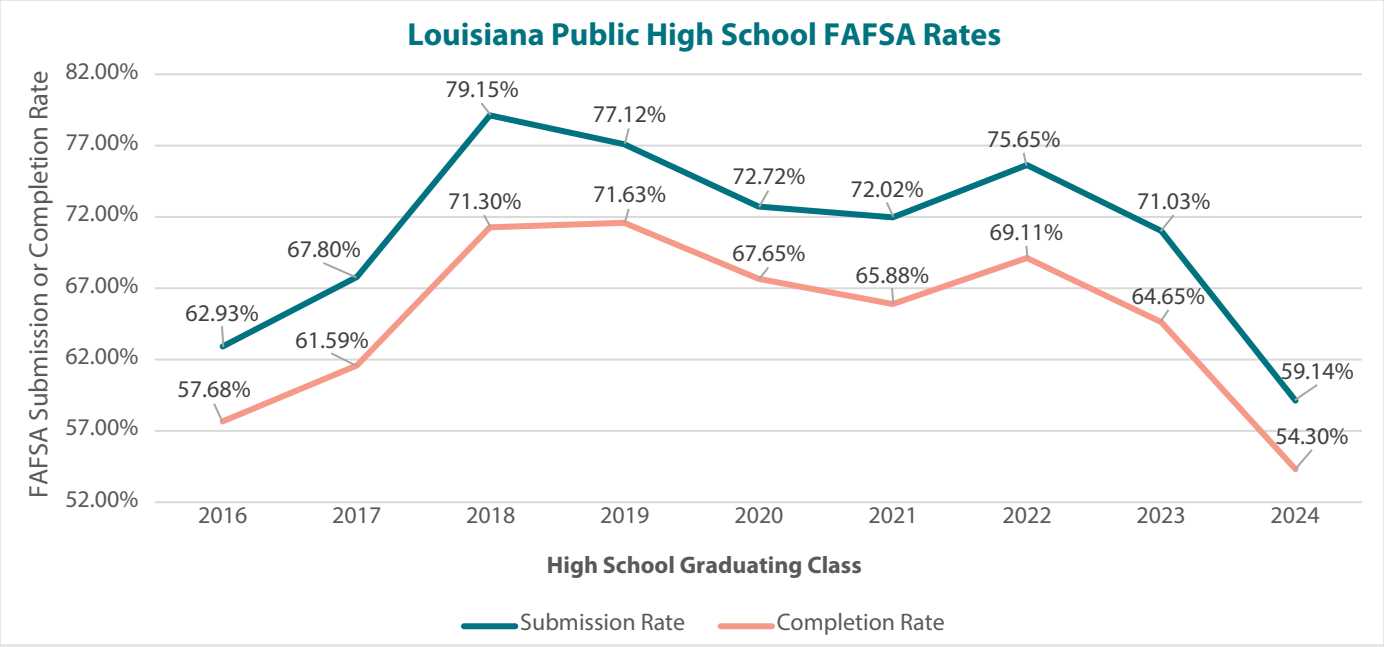
FAFSA Submission Rate Change: +11.3%

FAFSA Completion Rate Change: +9.7%

Details

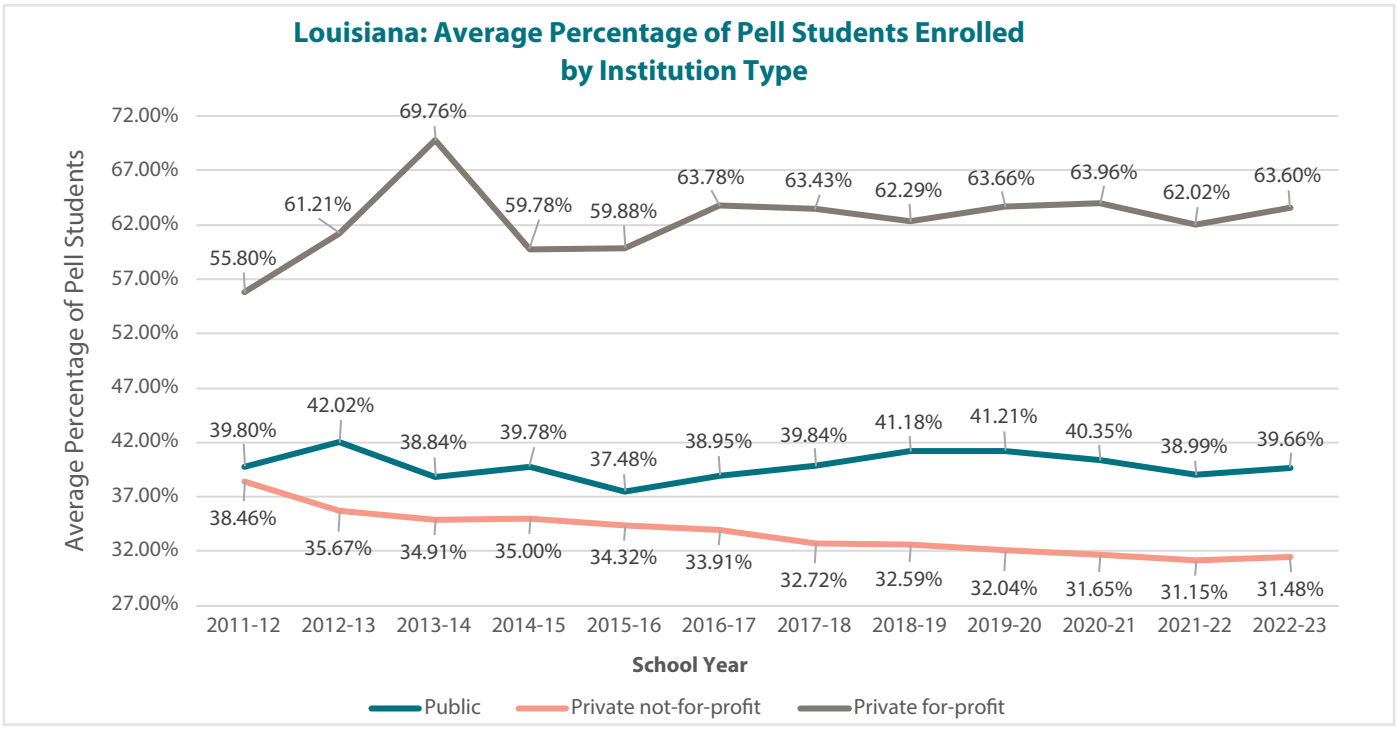
In 2018, Louisiana became the first state to establish a FAFSA high school graduation requirement. This requirement was implemented not by the state legislature, but by the state Board of Education. Louisiana mandated that high school seniors complete either the TOPS application for state aid or the FAFSA in order to graduate. To waive this requirement, parents or legal custodians could submit an opt-out waiver, or students of legal age could complete the waiver themselves. The policy also allowed local education agencies to petition the state superintendent for a waiver if a senior was unable to complete the FAFSA or TOPS and could not secure a completed opt-out waiver.

Although the policy yielded strong results, the state board of education repealed it in 2024. For the class of 2025 and beyond, high school seniors are no longer required to complete the FAFSA or TOPS application to graduate. However, local education agencies must provide students and families with information on financial aid programs and support in completing financial aid applications.

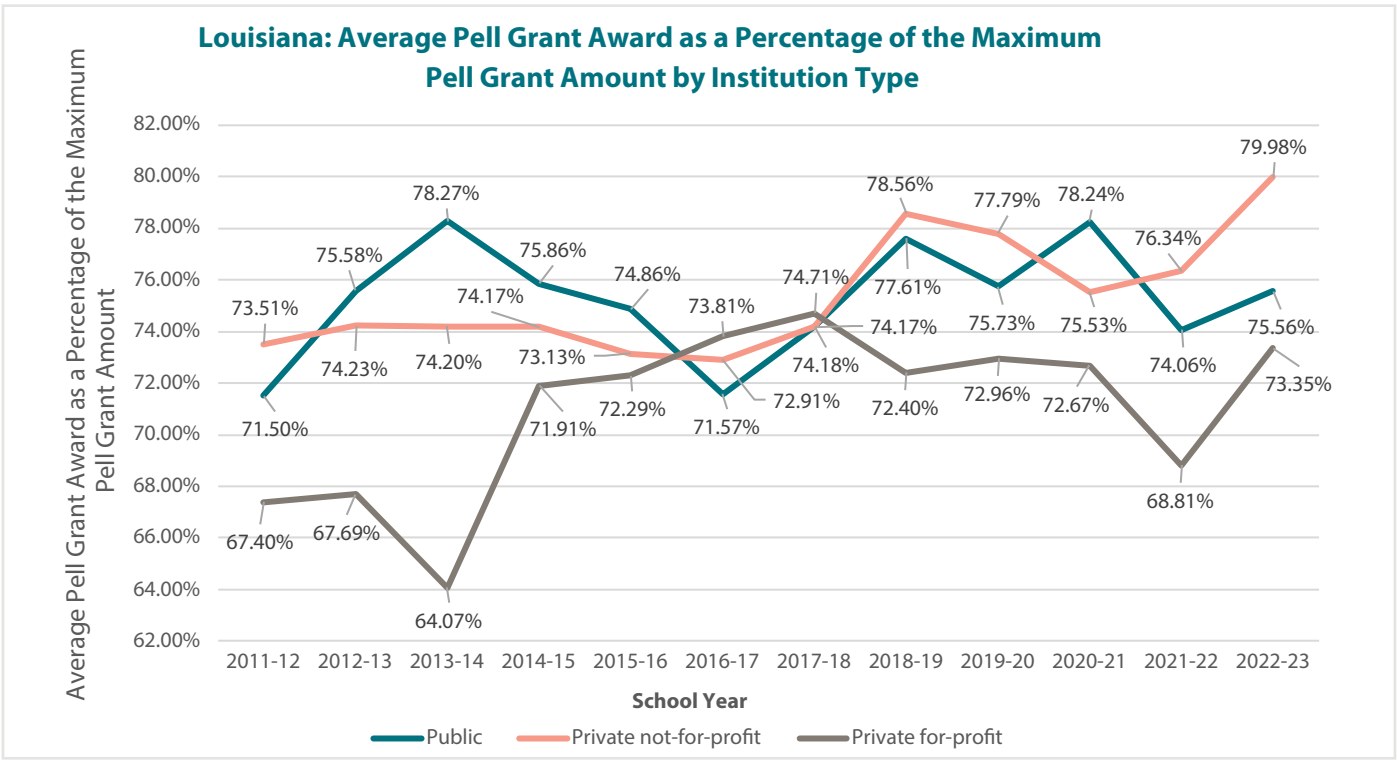


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

Louisiana's FAFSA graduation requirement produced strong results while it was in effect. FAFSA submission and completion rates peaked in the first year of implementation for the class of 2018, with an 11.3% increase in submissions and a 9.7% increase in completions. However, that year also saw the largest gap between submission and completion rates. After 2018, Louisiana's FAFSA submission and completion rates experienced a general downward trend, which may be partially attributed to the effects of the pandemic. However, rates continued to decline in 2023, even as most states saw increases.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

The implementation of Louisiana's FAFSA policy for the high school class of 2018 means that the potential impact on college enrollment among students from low-income backgrounds would have first been seen in the 2018-19 school year. Louisiana has the most data available to analyze the potential impact of the FAFSA requirement on the enrollment rates of students from low-income backgrounds. The charts above show the percentage of Pell Grant recipients at Louisiana colleges and universities over the last 14 years and the average Pell Grant award (as a percentage of the maximum Pell Grant).

In the first year of the policy's implementation, public and private for-profit institutions experienced slight decreases in the share of Pell Grant recipients among their student populations, while private not-for-profit institutions saw a small increase. Over the subsequent four years, the share of Pell Grant recipients among the student populations of all types of institutions remained relatively steady.

Additionally, one year after the implementation of the mandatory FAFSA policy, the average percentage of the maximum Pell Grant awarded increased by 4.39% percentage points at private not-for-profit institutions and by 3.43% percentage points at public institutions. Before the pandemic's impact during the 2021-22 school year, the average percentage of the maximum Pell Grant awarded consistently remained above pre-mandatory FAFSA levels at not-for-profit and public institutions. These results suggest that among Pell Grant recipients, there are more students with lower expected family contributions and, therefore, higher award amounts, enrolling in these schools. It is likely that more students from the lowest income brackets are enrolling in college than in previous years.

Meanwhile, one year after implementation of the policy, there was a 2.31% drop in enrollment at private for-profit colleges, indicating that there were fewer Pell recipients with small family contributions. This is an encouraging sign, as the FAFSA graduation requirement might have led more students to recognize that they are eligible for federal aid. However, this could also make them targets of aggressive and deceptive recruitment practices that for-profit institutions have historically employed.

The results of this analysis suggest that the Pell Grant recipients enrolled at public and private not-for-profit institutions have greater financial need than the Pell Grant recipients enrolled at private for-profit institutions.

Maryland

Fast Facts

Implementation Year: Class of 2022

Opt Out?: N/A

Alternative to FAFSA?: Yes, Maryland State Financial Aid Application (MSFAA)

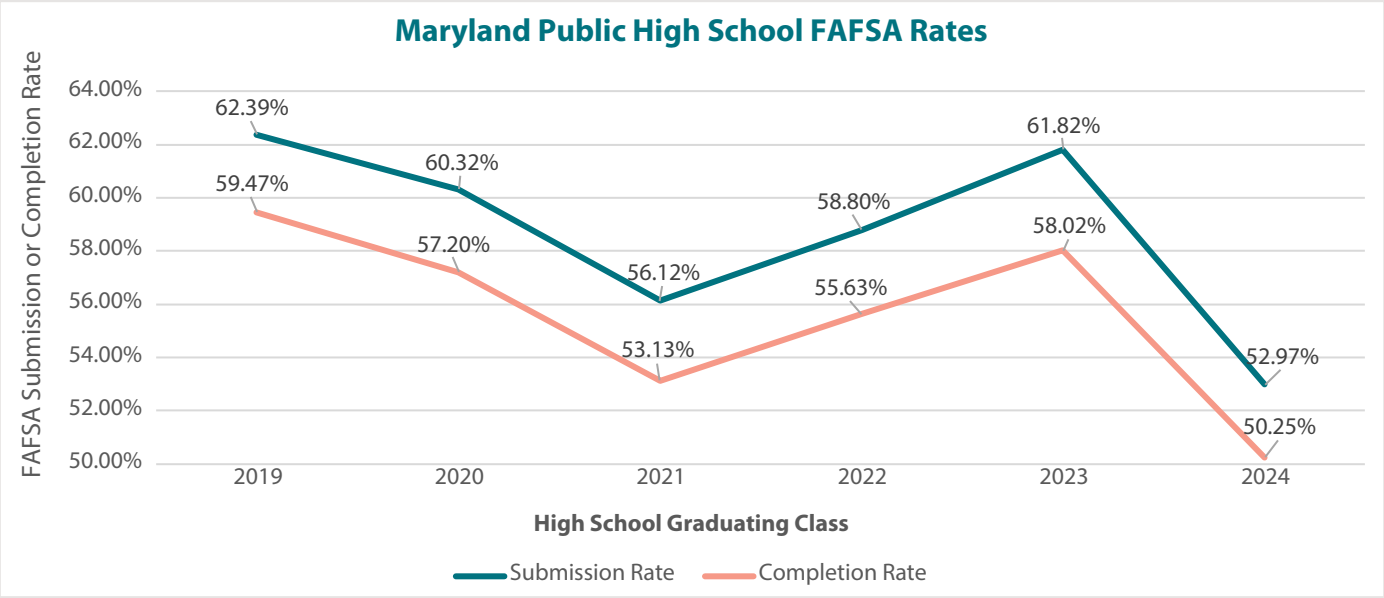
Required for State Aid?: Yes

FAFSA Submission Rate Change: +2.7%

FAFSA Completion Rate Change: +2.5%

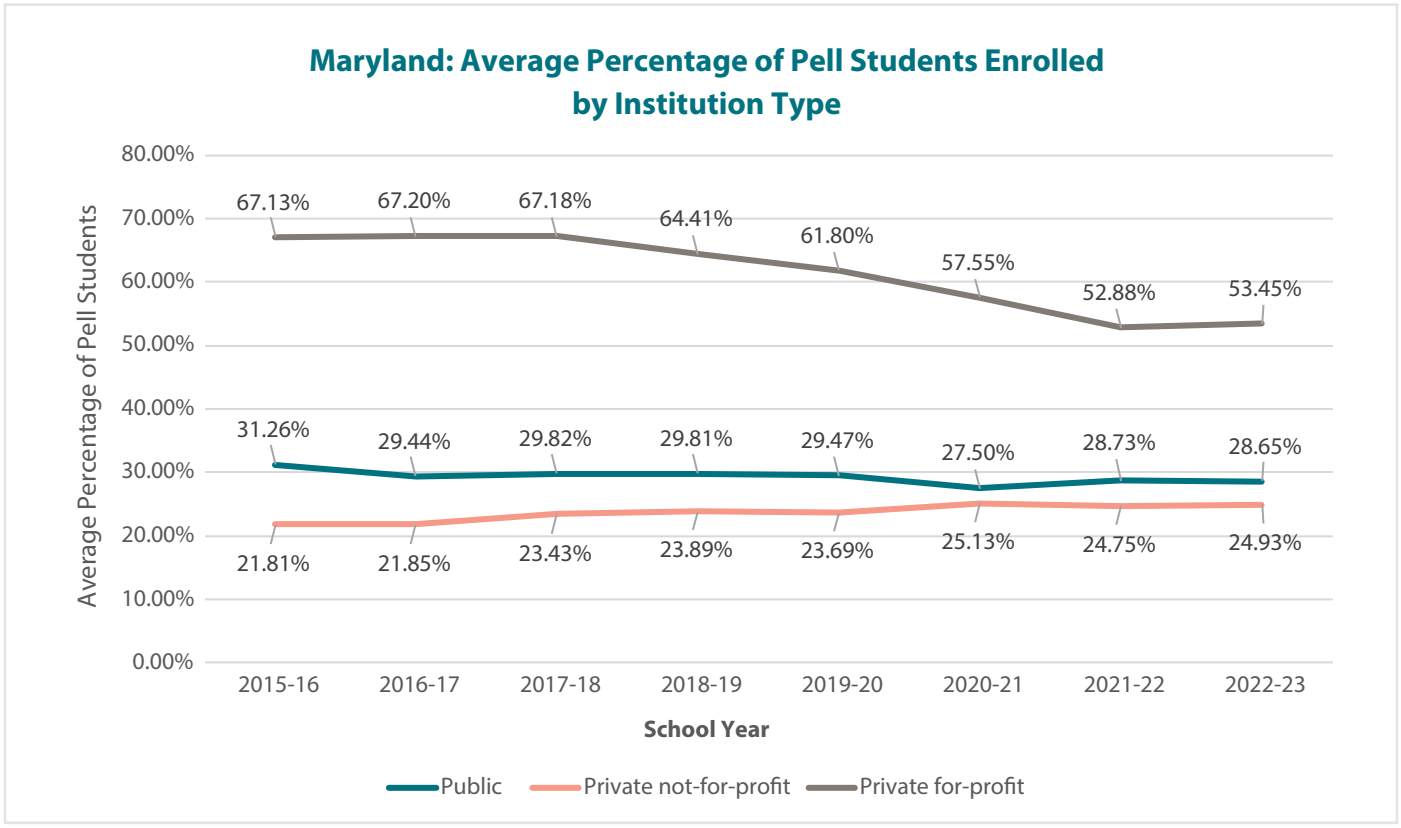
Details

In June 2021, Maryland's governor signed into law Senate Bill 664, which mandates that county school boards assist students in completing and submitting the FAFSA or MSFAA by the state's financial aid deadline.[32] The county boards are required to develop outreach plans that include hosting a minimum of three financial aid nights per school, implementing a student FAFSA/MSFAA awareness campaign, supporting traditionally underserved students, and partnering with colleges or nonprofit college access organizations to facilitate FAFSA/MSFAA completion. County boards must also update their outreach plans yearly to address disparities in FAFSA/MSFAA completion among different student populations. Starting in October 2022, each county school board is required to send these outreach plans to various state government entities. Notably, while this law imposes requirements on county school boards, it does not make FAFSA/MSFAA completion a high school graduation requirement.

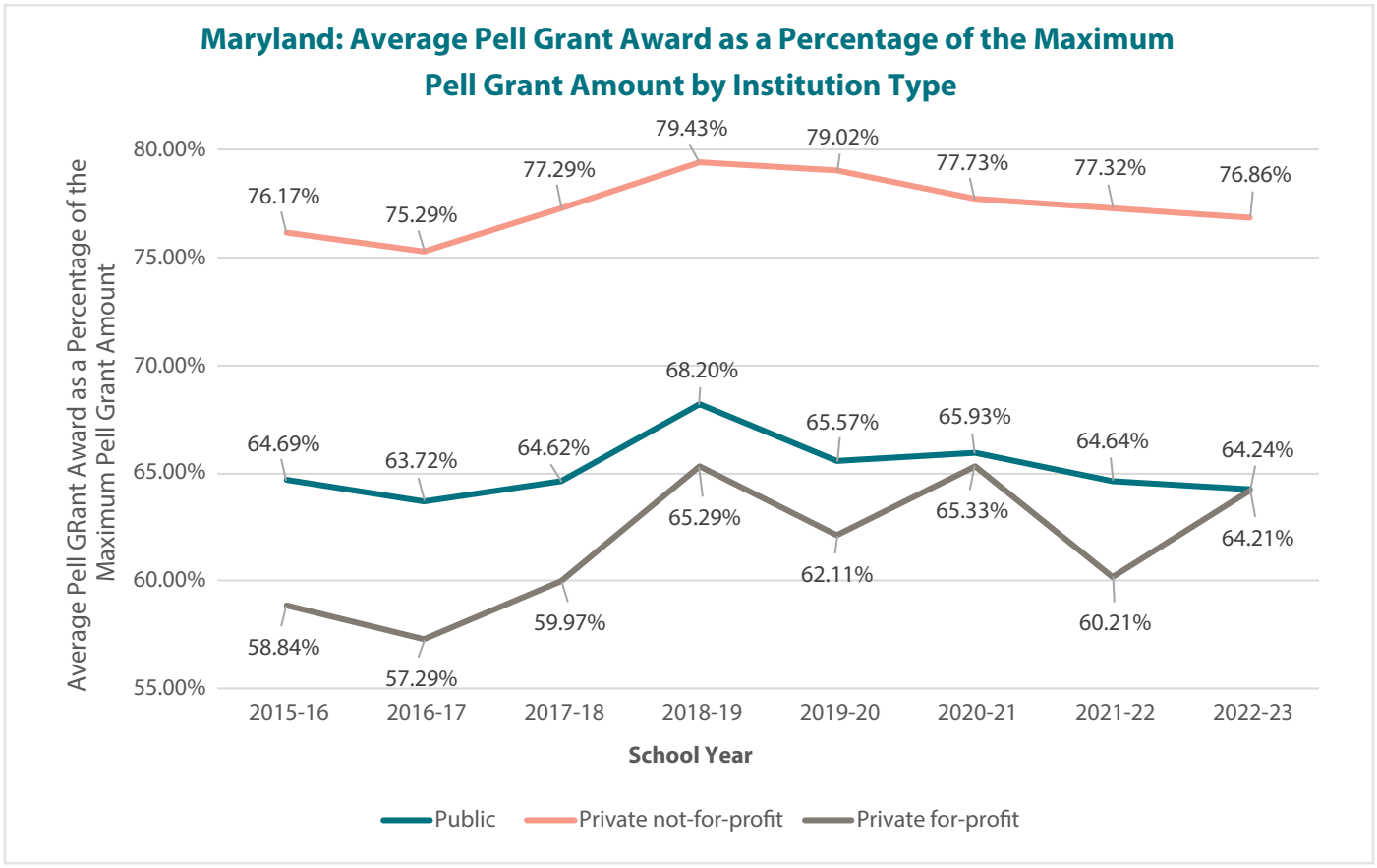


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

After a steady decline in FAFSA submissions, Maryland's 2022 requirement for county school boards to support FAFSA/MSFAA completion led to a 2.7% rise in submissions and a 2.5% rise in completions. As seen in other states that implemented strategies to boost FAFSA submissions and completions, the gap between submissions and completions grew from 3.01% prior to the new policy's implementation to 3.23%. And yet, despite the botched rollout of the "Better FAFSA," the class of 2024 had smallest gap between FAFSA submissions and completions over the past six years. The outreach plans of county school boards may have helped to mitigate the impact of the FAFSA complications for the 2024-25 academic year.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

The implementation of Maryland's FAFSA policy for the high school class of 2022 means that the potential impact on college enrollment among students from low-income backgrounds would have first been seen in the 2022-23 school year. The charts above show the percentage of Pell Grant recipients at Maryland colleges and universities over the last 11 years and the average Pell Grant award as a percentage of the maximum Pell Grant. The last data point for the 2022-23 school year offers a glimpse of this policy's potential impact. It is important to note, however, that the Pell Grant recipients potentially affected by the FAFSA policy would have been a fraction of the total number of Pell Grant recipients enrolled at Maryland higher education institutions, especially since Maryland's policy does not require FAFSA completion by students.

Private not-for-profit and for-profit institutions experienced a nominal increase in the percentage of enrolled students who are Pell Grant recipients, while public institutions saw a decrease. Public and not-for-profit higher education institutions saw nominal decreases in the average percentage of the maximum Pell Grant awarded to Pell recipients, while for-profit colleges saw an increase of 4%.

Nebraska

Fast Facts

Implementation Year: Class of 2025

Opt Out?: Yes

Alternative to FAFSA?: No

Required for State Aid?: Yes

Details

In June 2023, Nebraska's governor signed Legislative Bill 705 into law, requiring students to complete and submit the FAFSA before high school graduation.[33] This requirement will take effect for the high school class of 2025. Students may be exempt if their parents or legal guardians complete an opt-out form, or if the school principal waives the requirement for "good cause." Students who are 19 years of age or older can submit the opt-out form themselves.

New Hampshire

Fast Facts

Implementation Year: Class of 2024

Opt Out?: Yes

Alternative to FAFSA?: No

Required for State Aid?: No

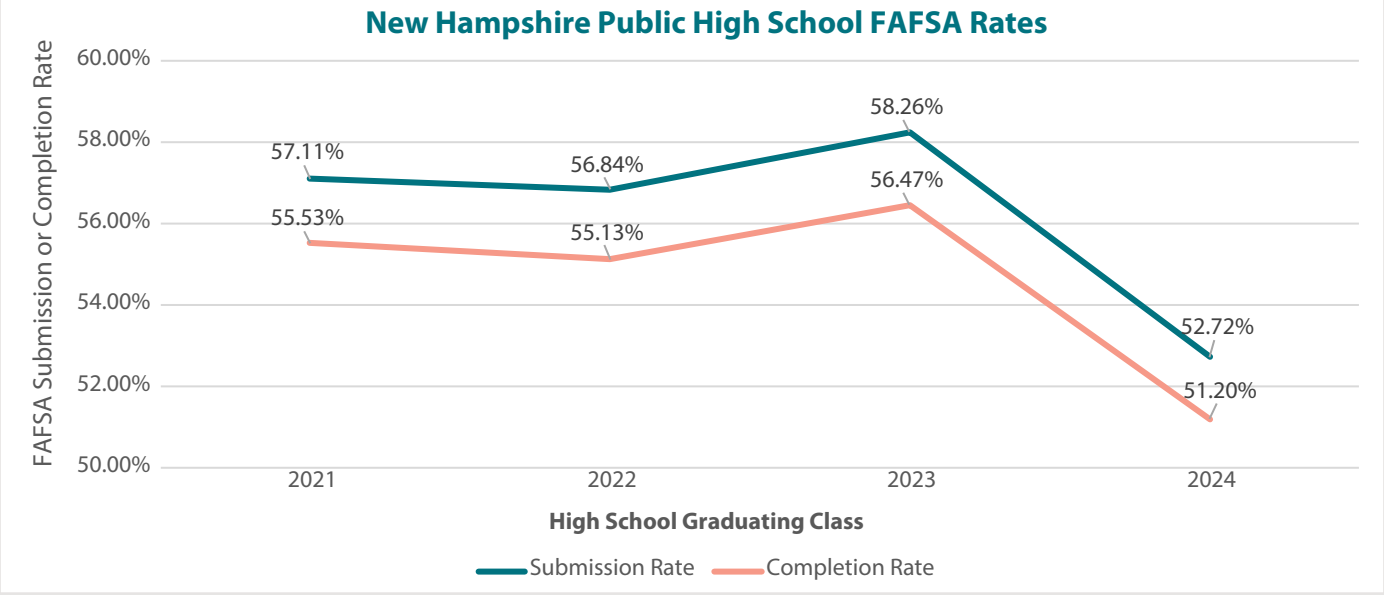
FAFSA Submission Rate Change: -5.6%

FAFSA Completion Rate Change: -5.3%

Details

In August 2021, New Hampshire's governor signed Senate Bill 147 into law, which requires students to complete the FAFSA to receive a high school diploma. This requirement went into effect for the class of 2024.[34] The requirement is waived for students if their parents or guardians complete an opt-out form or if a student is 18 or older and submits an opt-out form themselves. The bill specifies that a student will still receive a high school diploma if all other graduation requirements have been met and if the school district has made a good faith effort to assist the student in completing the FAFSA or securing a waiver.

In June 2024, immediately after the end of the first school year under the FAFSA requirement, the governor signed House Bill 1066 into law, repealing the FAFSA high school graduation requirement. The new law requires school districts to provide high school students with information on how to complete and submit the FAFSA but does not require tracking of FAFSA submission and completion rates.



Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

New Hampshire's only year to see the impact of the FAFSA high school graduation requirement was overshadowed by the chaotic rollout of the 2024-25 FAFSA. Across the country, states saw significant decreases in FAFSA submissions and completions compared to previous years — the average decrease in FAFSA completions across most states was 10% by July 31. New Hampshire was no exception, with a 5.6% decrease in submissions and a 5.3% decrease in completions. However, New Hampshire's FAFSA graduation requirement may explain why the state did not experience similarly steep decreases in submissions and completions.

New Jersey

Fast Facts

Implementation Year: Class of 2025

Opt Out?: Yes

Alternative to FAFSA?: Yes, New Jersey Alternative Financial Aid Application (NJAFAA)

Required for State Aid?: Yes

Details

In January 2024, New Jersey's governor signed Assembly Bill 1181 into law, requiring high school students in the classes of 2025, 2026, and 2027 to complete and submit either the FAFSA or the New Jersey Alternative Financial Aid Application as a graduation requirement. A student can waive this requirement if their parent or guardian completes a waiver form, or if a student is 18 or older and completes the waiver themselves. School counselors are authorized to waive the requirement for students if a waiver cannot be reasonably secured from a student's parent or guardian. The law mandates that the state's Higher Education Student Assistance Authority provide FAFSA completion resources to school districts and counselors, who will then share these resources with students and their families.

New York

Fast Facts

Implementation Year: Class of 2025

Opt Out?: Yes

Alternative to FAFSA?: Yes, Jose Peralta New York State DREAM Act Application

Required for State Aid?: Yes

Details

In April 2024, New York's governor signed into law the FY 2025 Enacted Budget (Senate Bill 8306), which includes a requirement for school districts to verify that high school seniors have completed either the FAFSA or the Jose Peralta New York State DREAM Application, or have obtained a waiver to opt out.[35] School districts must verify this information with the student's parent or guardian, or directly with the student if said student is 18 years of age or older or is emancipated.

Notably, this legislation places the responsibility for verification on school districts rather than on individual students. The law explicitly states that these new requirements will not affect a student's ability to graduate, and students will not be penalized if their parent does not verify completion of the FAFSA, the Jose Peralta New York State DREAM Application, or the opt-out waiver.

The bill also requires school districts to provide support to students and families in completing the FAFSA or the Jose Peralta New York State DREAM Application. Districts must also share information about available financial assistance for higher education with students at least twice during their senior year.

Oklahoma

Fast Facts

Implementation Year: Class of 2025

Opt Out?: Yes

Alternative to FAFSA?: No

Required for State Aid?: Yes

Details

In May 2021, Oklahoma's governor signed Senate Bill 93 into law, making the completion and submission of the FAFSA a high school graduation requirement for the class of 2025.[36] To waive this requirement, students must have a parent or legal guardian submit an opt-out form or have their school counselor waive the requirement on their behalf. Students who are over 18 can complete an opt-out form themselves.

In addition to the FAFSA submission requirement, Oklahoma also requires students to complete a "personal financial literacy passport" to graduate from high school. From seventh to 12th grade, schools must provide students with instruction in personal financial literacy, including the FAFSA and other methods of financing higher education.

Resources on the FAFSA, aimed at supporting students, families, and educators, are available from the Oklahoma College Assistance Program, a division of the Oklahoma State Regents for Higher Education.

Texas

Fast Facts

Implementation Year: Class of 2022

Opt Out?: Yes

Alternative to FAFSA?: Yes, Texas Application for State Financial Aid (TASFA)

Required for State Aid?: Yes

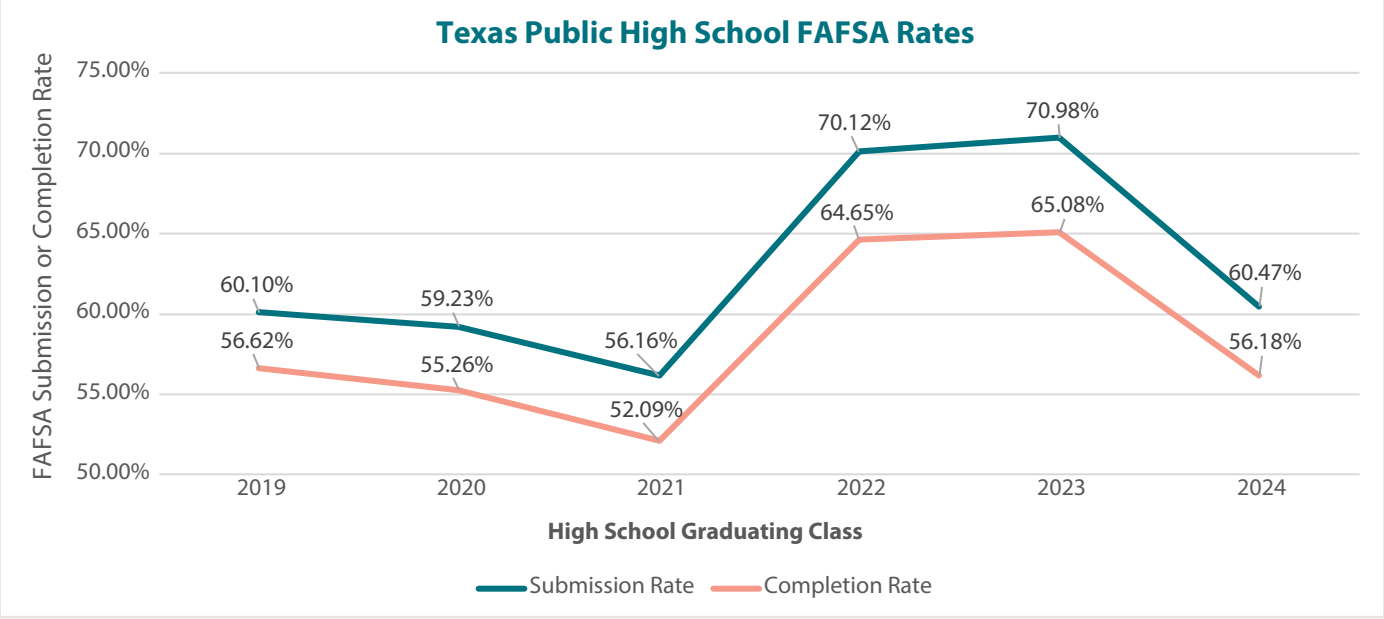
FAFSA Submission Rate Change: +13.9%

FAFSA Completion Rate Change: +12.5%

Details

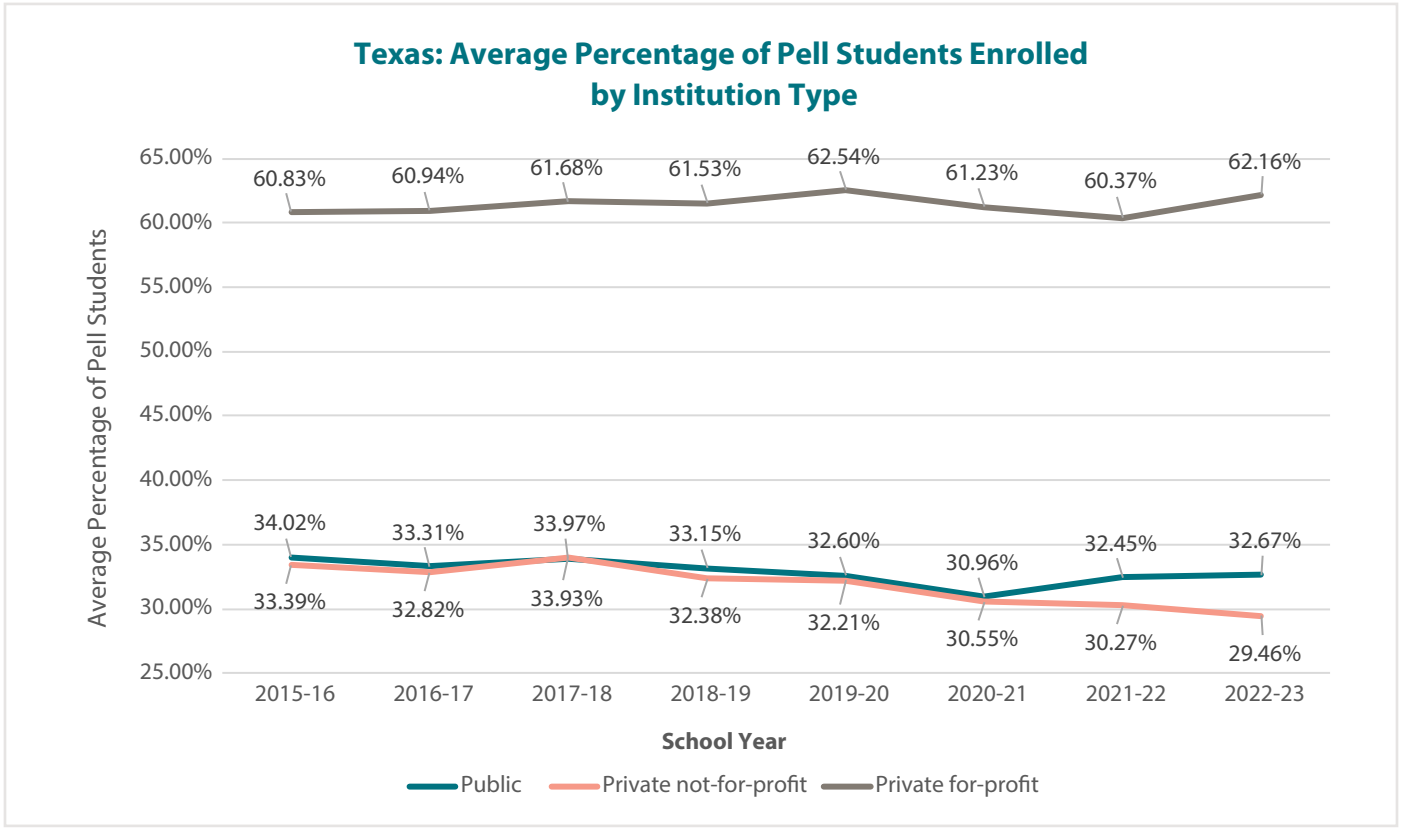
In June 2019, the governor of Texas signed House Bill 3 into law, which requires students to complete and submit the FAFSA or the Texas Application for State Financial Aid (TASFA) before graduating from high school.[37] This requirement took effect for the high school class of 2022. Students are exempt from submitting a FAFSA or TASFA if their parent or guardian completes an opt-out form, if the student is 18 or older and completes an opt-out form themselves, or if the student's school counselor waives the requirement for "good cause."

Each school district and open-enrollment charter school must adopt an opt-out form approved by the Texas Education Agency and make the form available in English, Spanish, and any other language spoken by the majority of students in language programs within the district or school. If a school fails to make an opt-out form available to students and families, students cannot be deemed out of compliance with the requirement. The Texas Education Agency has provided online resources for school counselors and advisers to assist with this requirement.

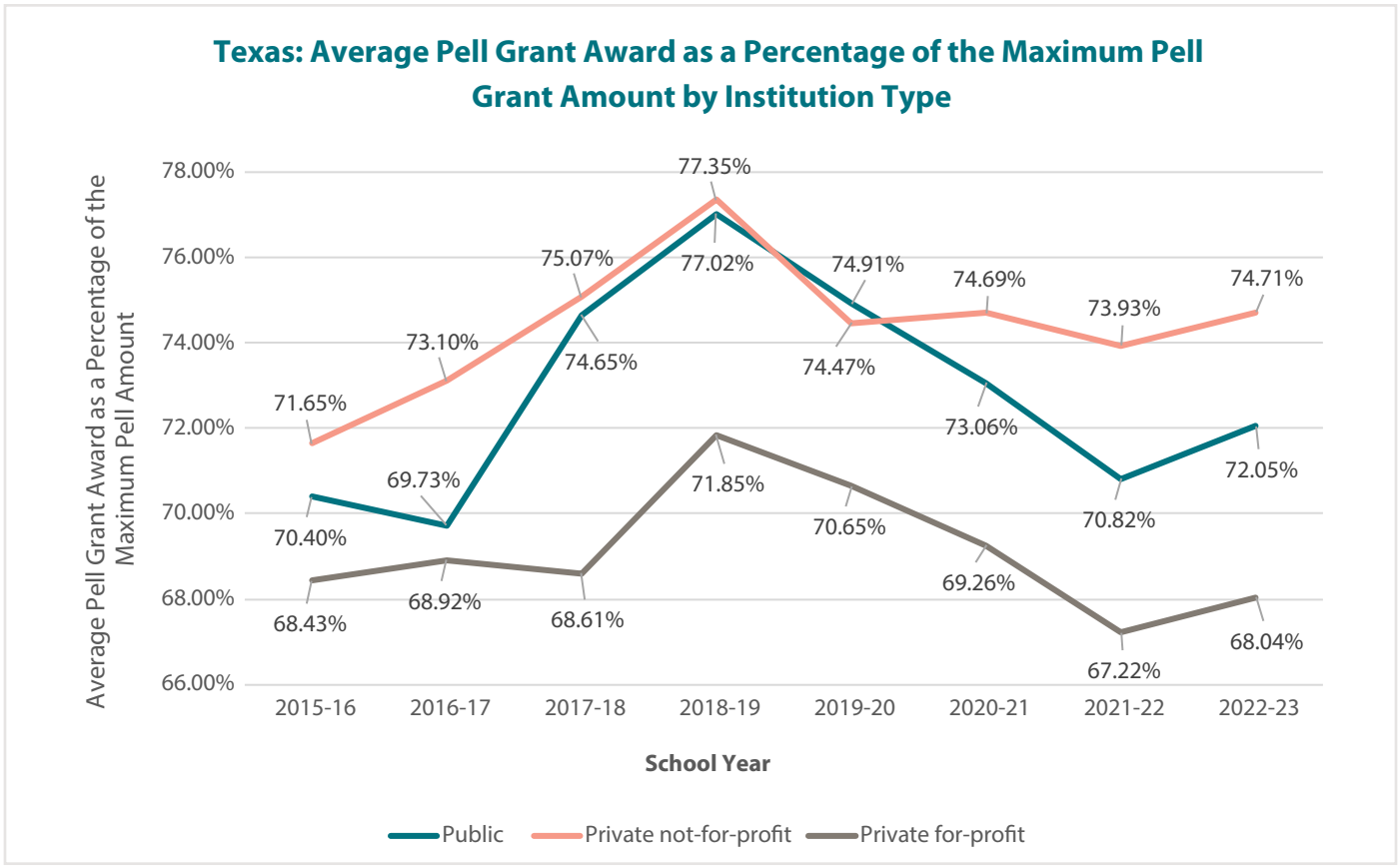


Source: EdTrust Analysis of Federal Student Aid's FAFSA Completion by High School and Public School District

Following the implementation of the FAFSA high school graduation requirement, Texas experienced significant improvements in FAFSA submission and completion rates. For the high school class of 2022, the first class subject to this requirement, Texas saw a 13.9% increase in FAFSA submissions and a 12.5% increase in FAFSA completions. As observed in other states, the introduction of the FAFSA graduation requirement resulted in a widening gap between submission and completion rates. Before the requirement was implemented, the average gap was 3.83%, but it increased to 5.22% after the requirement took effect.



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center



Source: EdTrust Analysis of Integrated Postsecondary Education Data System (IPEDS) Data Center

Since Texas implemented its FAFSA graduation requirement for the high school class of 2022, the potential impact of this policy on college enrollment among students from low-income backgrounds became evident in the 2022-23 school year. The charts above show the percentage of Pell Grant recipients at Texas colleges and universities over the last 10 years, along with the average Pell Grant award as a percentage of the maximum Pell Grant. The last data point from the 2022-23 school year offers a glimpse of the potential impact of this mandatory FAFSA requirement. It is important to note, however, that the Pell Grant recipients potentially affected by this policy represent only a fraction of the total number of Pell Grant recipients enrolled at higher education institutions in Texas. Public and private for-profit institutions in Texas experienced a slight increase in the share of students receiving Pell Grants, while private not-for-profit institutions saw a slight decrease. Across all institution types, the average Pell Grant award increased slightly.

Conclusion

Universal FAFSA completion policies have played an important role in boosting FAFSA submission and completion rates in the states that have implemented them. Even during the 2024-25 FAFSA cycle, which was riddled with delays, errors, and complications, states with universal FAFSA completion policies experienced a smaller decrease in submission and completion rates compared to the national average.

Importantly, universal FAFSA requirements ensure that high school seniors are exposed to the FAFSA and develop an understanding of the federal student aid (and, often, state aid) available to them. Completing the FAFSA can set students up for success in higher education by reducing the financial barriers that often prevent them from attending and completing college.

Assessing which state has the best universal FAFSA policy is challenging, as some states' implementation years coincided with FAFSA cycles negatively impacted by the pandemic or the rollout of the 2024-25 FAFSA.

Continuing to track changes in enrollment across higher education will be crucial to understanding whether and how universal FAFSA policies boost enrollment among Pell Grant recipients and increase the amount of aid that students bring to an institution. While universal FAFSA policies can help fill a critical knowledge gap for students, they may address only one piece of the puzzle in increasing college enrollment for students from low-income backgrounds.

Recommendations

1. Publish Data on Alternative, State-Specific Financial Aid Application Completion Rates

Several states allow students to fulfill the universal FAFSA requirement with an alternative, state-specific financial aid application. However, most states do not publicly disclose the rates of completion and submission for these forms. States with alternative financial aid applications should publish the completion and submission rates for those applications, while carefully considering privacy protections for undocumented students who complete the alternative application.

2. Publish Data on Opt-Out Rates and Track Disparities

Several states allow students to waive the universal FAFSA requirement through an opt-out form, but they do not make data on opt-out rates publicly available. States should publish information on opt-out rates, disaggregated by race/ethnicity and income, to ensure that students who stand to benefit the most from completing the FAFSA are not consistently opting out. In Maryland, LEAs are required to address disparities in FAFSA completion in their strategic plans.

States should adopt best practice models from states like Illinois, where the opt-out form answers common questions and addresses misconceptions about the FAFSA, ensuring that students and families have all the necessary information before deciding to opt out. To understand the barriers or misconceptions affecting students and families, states should begin collecting qualitative data on why students are opting out of FAFSA completion.

3. Address the Gap Between FAFSA Submission and Completion

Most states with high school FAFSA completion requirements experienced an increase in the gap between FAFSA submission and completion rates following the implementation of the policy. To address this gap, states should provide school districts and counselors with the resources necessary to follow up with students whose FAFSA submissions contain errors that require corrections. States might consider adopting a FAFSA submission deadline, similar to the practice in Indiana. Establishing a deadline prior to graduation will ensure that students are still in school and have access to support if their submitted FAFSA contains errors that need to be addressed for processing.

4. Partner With College Access Organizations and Local Colleges and Universities to Boost FAFSA Completion

To reduce the burden on high schools and their counselors, states should adopt practices from states such as Maryland and Colorado, which encourage high schools to partner with college access organizations and local colleges and universities to support students and families in completing their FAFSA and state-specific financial aid applications. The expertise of these professionals is vital for assisting students from nontraditional backgrounds, as successful FAFSA completion may require additional documentation. States should also emulate best practices from states such as Illinois and California, which fund entities like ISACorp and the CA College Guidance Initiative through their education agencies. These entities specialize in promoting statewide college completion and assisting students with various aspects of the college journey, including FAFSA completion.

5. Adopt Universal FAFSA Policies Into Statute

States that adopt FAFSA graduation requirements should do so through the state legislature rather than the state board of education. Policies enacted into statute are much more difficult to repeal than regulations created by state boards of education. For example, in Louisiana, the decision to repeal its FAFSA graduation requirement was made by an 11-member board, three of whom were appointed by the governor rather than elected.

6. Make FAFSA Information Accessible to All Families

Local education agencies should make their FAFSA information materials available in English, Spanish, and the most spoken languages in the school district. Inaccessible resources and opt-out forms can create barriers for students and families attempting to meet the state's FAFSA completion requirement.

7. Make FAFSA Submission a Graduation Requirement, But Allow Those Closest to Students to Waive the Requirement

States should tie FAFSA completion to high school graduation requirements to create a sense of urgency for students and LEAs. This requirement will ensure that all students are exposed to the FAFSA; however, it should not create an additional barrier to graduation. Therefore, teachers and counselors, who are closest to the students, should have the authority to waive the requirement if they have made an effort to help the student secure an opt-out form through their family.

Universal FAFSA completion policies have played an important role in boosting FAFSA submission and completion rates in the states that have implemented them

Methodology

Submission and Completion Rates: Class of 2016 to 2023

FAFSA submission and completion rates were analyzed for each state three years prior to the implementation of their Universal FAFSA policy up to the present (where data was available). The table below shows the years analyzed for each state.

State	Implementation Year (Class of)	Years Analyzed (Class of)
AL	2022	2019-2023
CA	2023	2020-2023
CO	2022	2019-2023
IL	2021	2018-2023
IN	2024	2021-2023
LA	2018	2016-2023*
MD	2022	2019-2023
NH	2024	2021-2023
TX	2022	2019-2023

** 2015 Federal Student Aid FAFSA Submission and Completion Data is not publicly available*

Information on 12th grade public school enrollment was obtained from the National Center for Education Statistics' (NCES) Elementary/Secondary Information System (ELSI) Table Generator. A table was generated for public schools for the relevant years, including the following columns: School Name, State Name, Location City, Grade 12 Offered, Grade 12 Students. The data was then filtered to focus on the 10 states of interest.

Information on 12th grade FAFSA application submissions and completions was pulled from Federal Student Aid's (FSA) FAFSA Completion by High School and Public School District. Data was pulled from the July 31 report of the year of interest to account for which FAFSA submissions and completions were influenced by a universal FAFSA completion policy.

Individual Excel files were created for each state, with each spreadsheet containing different sheets for the year of analysis. On each sheet, ELSI data and FSA data were pasted, and conditional formatting was used to identify matches by school name between the two data sets. The remaining schools of the ELSI data were then manually compared with the FSA data to find schools with reasonable name matches and identical city matches. Examples of reasonable name matches between the two datasets include: Fair Park High School vs. Fair Park College Preparatory Academy, Walter L. Cohen College Prep vs. Walter L. Cohen High School, and G W Carver High School vs. G. W. Carver Collegiate Academy.

The FSA dataset included submission and completion values reported as "<5" ("<5" is often listed when the 12th grade class size is small and disclosing the actual number of FAFSA submissions and completions could create privacy concerns). These values were replaced with "0" so that it could be included in the calculations. Next, the total FAFSA submissions for each school were compared to the number of enrolled students. If a school's FAFSA submission total exceeded the number of enrolled students, the school was excluded from the analysis. For the remaining schools, totals were then calculated for the number of 12th grade students enrolled, the number of FAFSA submissions, and the number of FAFSA completions.

To calculate the FAFSA submission rate, the total number of FAFSA submissions was divided by the total number of 12th grade students enrolled. To calculate the FAFSA completion rate, the total number of FAFSA completions was divided by the total number of 12th grade students enrolled.

This was repeated for each state and year included in the analysis.

Submission and Completion Rates: Class of 2024

2024 FAFSA submission and completion rates were calculated for Alabama, California, Colorado, Connecticut, Illinois, Indiana, Louisiana, Maryland, New Hampshire, and Texas.

Since data on 2024 12th grade enrollment has not been published, information on 2023 12th grade public school enrollment was pulled from the National Center for Education Statistics' (NCES) Elementary/Secondary Information System (ELSI) Table Generator. A table was generated by public school for the relevant years, with the following columns: School Name, School ID – NCES Assigned, State Name, Location City, Grade 12 Offered, Grade 12 Students. The states were then filtered to the ten states of interest.

Information on 12th grade FAFSA application submissions and completions was pulled from Federal Student Aid's (FSA) FAFSA Completion by High School and Public School District. Data was pulled from the July 31 report of the year of interest to account for which FAFSA submissions and completions were influenced by a universal FAFSA completion policy.

Two sheets were added to the state spreadsheets containing the analysis of submission and completion rates from the previous section. The first sheet, labeled "2024," included the 2023 ELSI data on 12th grade enrollment. To estimate 12th grade enrollment in 2024, projections from the Western Interstate Commission for Higher Education's (WICHE) 10th Edition of Knocking at the College Door were used. The percentage increase or decrease between WICHE's 2023 and 2024 projected enrollment numbers was calculated and then applied at the individual school level to the 2023 ELSI data.

The second sheet, labeled "2024 FAFSA Data" contained the 2024 FSA data. This dataset included submission and completion values reported as "<5," which were replaced with "0" so that it could be included in the calculations.

Excel's XLOOKUP function was then used to copy and paste the FSA data into the "2024" sheet based on exact matches in School ID.

Values between a school's FAFSA submission total and the 2024 estimated number of enrolled students were then compared. If the FAFSA submission total exceeded the 2024 estimated number of enrolled students, the school was excluded from the analysis. For the schools remaining in the analysis, the sums were calculated for the estimated 2024 number of 12th grade students enrolled, the number of FAFSA submissions, and the number of FAFSA completions.

To calculate the FAFSA submission rate, the total number of FAFSA submissions was divided by the total number of the 2024 estimated 12th grade students enrolled. To calculate the FAFSA completion rate, the total number of FAFSA completions was divided by the total number of the 2024 estimated 12th grade students enrolled.

This was repeated for each state included in the analysis.

Average Percentage of Pell Grant Recipients Enrolled and Pell Grants Received: 2014-2023

Pell Grant-recipient enrollment and award data was analyzed by state for the six years preceding the implementation of their universal FAFSA policy to the present. The table below displays the years analyzed for each state. Note that this analysis includes only states that implemented the Universal FAFSA policy in the 2021-2022 school year — the most recent data available on the Integrated Postsecondary Education Data System (IPEDS) — or earlier.

State	Implementation Year (School Year)	Years Analyzed (School Year)
AL	2021-2022	2015-2023
CO	2021-2022	2015-2023
IL	2020-2021	2014-2023
LA	2017-2018	2011-2023
MD	2021-2022	2015-2023
TX	2021-2022	2015-2023

Information on student enrollment was obtained from the IPEDS Data Center. The 2023 Institutional Characteristics survey (HD2023) was used to evaluate enrollment data by state and institution control type. The Student Financial Aid (SFA) survey was analyzed for each year of interest to assess the average amount of Pell Grant aid awarded to undergraduate students.

Information on the maximum Federal Pell Grant award amounts was retrieved from Federal Student Aid's FSA Dear Colleague Letters. Data was extracted from the most recent Pell Grant award announcement for the year of interest to account for variations in the maximum award amount.

IPEDS institutional and student financial aid data was consolidated into a central Excel file using an R script. The Excel file contained a single spreadsheet formatted as a table, sorted by "State Abbreviation," and cleaned of unnecessary variables and columns. The student financial aid data for each institution was initially stored in multiple rows, with each row corresponding to a different survey year. New columns were created for each survey year in the analysis, and the student financial aid data was reorganized so that each institution's data fit into one row. Cell coloring was then applied to distinguish between the survey years. Copies of this data file were then processed and filtered for each state.

Individual Excel files were created for each state, with each spreadsheet containing the following sheets: (1)

Institution Data, (2) Max Pell Grant by Year, (3) Data Analysis – Pell Award, and (4) Data Analysis — % of Pell Students. The Institution Data sheet included variables of interest from IPEDS for all Title IV participating institutions. The variables were: (1) Total number of undergraduates — financial aid cohort, (2) Number of undergraduate students awarded Pell grants, (3) Percent of undergraduate students awarded Pell Grants, (4) Total amount of Pell Grant aid awarded to undergraduate students, and (5) Average amount Pell grant aid awarded to undergraduate students. The Max Pell Grant by Year sheet contained the maximum Pell Grant award published in the Dear Colleague Letters for each year of interest. Data from the first two sheets were used for calculations in the Data Analysis sheet.

Though the institutional data was ultimately aggregated to produce a state-level analysis, institutional data was used to account for potential errors or discrepancies in the IPEDS state-level reports.

Once the data cleaning was complete, the sum of the number of Pell Grant recipients was divided by the sum of total undergraduate students by institution type to determine the average percentage of Pell Grant recipients enrolled.

Example 1: Average % of Pell Grant Recipients at Public Institutions

$$\frac{(\text{Institution A \# of Pell Students} \times \text{Institution A Average Pell Award}) + (\text{Institution B \# of Pell Students} \times \text{Institution B Average Pell Award}) + \ldots}{(\text{Institution A \# of Pell Students}) + (\text{Institution B \# of Pell Students}) + \ldots}$$

Formula (using summation notation):

$$\frac{\sum(\text{\# of Pell Students})}{\sum(\text{\# of Undergraduate Students})}$$

This was repeated for each year and state of the analysis.

The average Pell Grant award was determined for each institution control type: public, private, and not-for-profit. To account for variations in institution size, the number of Pell students at each institution was multiplied by the average Pell award at that institution and summed by institution control type. This total was divided by the sum of Pell students across institutions of the same control type to determine the average Pell Grant award.

Example 1: Average Pell Grant Award for Public Institutions

$$\frac{\text{(Institution A \# of Pell Students)} + \text{(Institution B \# of Pell Students)} + \text{(Institution C \# of Pell Students)} + \ldots}{\text{(Institution A Total \# of Undergraduate Students)} + \text{(Institution B Total \# of Undergraduate Students)} + \text{(Institution C Total \# of Undergraduate Students)} + \ldots}$$

Formula (using summation notation):

$$\frac{\sum (\text{\# of Pell Students} \times \text{average Pell award})}{\sum (\text{\# of Pell Students})}$$

The average Pell Grant award for each institution control type was then divided by the maximum Pell Grant award.

This was repeated for each state and year included in the analysis.

Endnotes

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22. Adopted to Alabama Administrative Code Rule 290-3-1-.02 (21)

23. Adopted to California Education Code § 51225.7

24. Adopted to Colorado Revised Statues § 23-3.3-1007

25. Connecticut does not have an alternative, state-specific financial aid form for those not eligible for federal financial aid. However, public institutions across the state offer university-specific grants to undocumented students. To meet the high school graduation requirement, the law specifies that these students should apply to a public institution in the state and apply for its institutional aid if they are not eligible to complete the FAFSA.

26. Adopted to Connecticut General Statutes § 10-221z

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30. Adopted to Indiana Code 20-26-5-42.2

31. Unlike other states' alternative financial aid applications, the application for TOPS award is not available to non-U.S. citizens. Other states with alternative financial aid applications do not allow U.S. citizens to complete the alternative state-specific financial aid application, since U.S. citizens are eligible for federal aid through the FAFSA, and states use the information reported on the FAFSA to determine state aid eligibility. Louisiana differs by allowing U.S. citizen students to apply for only a TOPS award and omit determining federal financial aid eligibility through the FAFSA.

32. Adopted to Maryland Code, Education Law §7–212
33. Adopted to Nebraska Revised Statutes § 79-729
34. Adopted to New Hampshire Revised Statute § 193:26-a and subsequently repealed
35. Adopted to New York Education Laws § 305
36. Adopted to Oklahoma Statues § 70-1210.508-6
37. Adopted to Texas Education Code § 28.0256

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