



The impact of federal administrative burdens on college enrollment

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BACKGROUND: We study whether the “Verification” step of the Federal Application for Federal Student Aid (FAFSA) is associated with changes in postsecondary enrollment and persistence. We use two cohorts of FAFSA submission (2016 and 2017) and focus most of our analysis on California residents who are dependents, first-time filers, and submit the FAFSA by August 1 (to approximate before the academic term begins).

RESEARCH DESIGN: We use a matching strategy where we compare students with similar characteristics (e.g., family income and size; submission period) who are and are not subject to verification. We define students as subject to verification if the Verification flag is set to Y on the first transaction number of their FAFSA.

KEY FINDINGS:

- On average, verification increases student’s reported income and EFC, leading to an approximately \$380 average loss in predicted Pell Grant receipt.
 - Effects vary, as roughly 10% of students experience a predicted *loss* of \$2000 or more in grant aid, whereas 3% of students experience a predicted *gain* of \$2000 or more.
- Verification decreases state aid usage by close to 5 percentage points, with a 3 percentage point decline in the two-year sector and a 2 percentage point decline in the four-year sector.
- We do not find that verification is associated with any overall change in postsecondary enrollment in any of the first four years after submitting the FAFSA.
 - For students who submit by the March 2 deadline, verification drives small changes in sector of enrollment, with a 0.6 percentage decline in four-year colleges and a 0.4 percentage point increase into two-year colleges. For students who list both two-year and four-year colleges on the FAFSA, the shift into two-year colleges is even larger.

CONCLUSION: We find that verification leads to limited changes in postsecondary enrollment, though appears to decrease grant receipt. Although potential unobserved differences between verified and non-verified students could potentially bias our results, we cast some doubt on claims in [prior research](#) that found large negative effects on enrollment due to verification. Nonetheless we do not claim this paper has necessarily found the true “causal” estimate – which might also vary by state or local context – but does raise questions about the true impacts, and highlights the need for the federal government to provide more details about the verification process and how it might impact students. That verification does relatively little to change payments, but requires significant expenditures in time and energy on the part of students and college staff, raises more questions about the usefulness and breadth of this approach. One potential way to improve this process is to shift more of the burden of verification to the federal government through improved data linkages, rather than placing more burdens on students and colleges.