FAFSA fiasco hits New Hampshire college goers and universities hard

Jeremy Margolis, Monitor staff

As early as last October, the Czarkowski family saw signs they were entering a college application season unlike any other.

During the first college workshop Adam Czarkowski and his son, Tyler, attended, they learned the government was rolling out a new version of the Free Application for Federal Student Aid form this year.

The FAFSA asks families for detailed financial information that must be submitted to be eligible for federal financial aid, as well as an array of state aid and scholarships. Without that information, colleges are unable to offer aid packages, which delays when parents and students learn which schools they can afford.

“I was alarmed,” said Czarkowski, a product manager at a tech company and a Penacook resident. “I have extremely low expectations of the federal government, so I was a little nervous about that.”

His concern, it turned out, was well placed.

First, the government delayed opening the revised form by three months, from October to Dec. 31. Then, when it became available, it was riddled with technical errors.

“It probably took over two days between it crashing and us getting frustrated with it to finally be able to submit the application,” Adam Czarkowski recalled.

And then – radio silence.

The colleges Tyler applied to – public and private schools in New Hampshire – have yet to receive his FAFSA form or provide financial aid offers, his father said in an interview last week. Typically, that information is transmitted within days or weeks and offers go out shortly thereafter, college administrators said.

Tyler, a Hopkinton High School senior, is one of millions of students applying to college this year whose experience has been shaped by the Department of Education’s botched rollout of the FAFSA form, which has involved a series of delays and data issues that persist even as the annual May 1 college decision deadline looms – a deadline which many colleges have now opted to extend.

The FAFSA problems could lead families to take on more debt than they can handle or, for low-income students, delay attending college entirely, higher education experts fear.
The problems also underscore the disconnect between the sticker price of college – upwards of $80,000 a year for some private schools – and the true cost of college after financial aid is doled out.

In late January, Tyler settled on Colby-Sawyer College in New London – a decision the family was forced to make without knowing how much the school would cost them.

“We still have no idea if we’re going to get any aid from the government, and if so, how much,” Czarkowski said. “So we’ve just made the assumption that we’re not going to get anything.”

Fortunately, the cost of a Colby-Sawyer education is more clear than that of most schools. In 2022, the liberal arts college made the unusual decision to dramatically reduce its sticker price while also limiting the financial aid it offers. The change means a family’s expected contribution is more evident. Next year, Colby-Sawyer’s tuition, including room and board, is $39,940.

Most vulnerable students at greatest risk

Compared to many families, the Czarkowskis were well-positioned to weather this year’s FAFSA-related delays and uncertainty.

Tyler attends one of the highest-performing high schools in the state and has parents who are tuned into the college application process.

Brennan Barnard, a higher education expert and the former director of college counseling at the Derryfield School in Manchester, expects the FAFSA issues to disproportionately affect low-income and first-generation college students, who may elect to take a year off or attend a college they can't pay for.

For example, if students agree to attend an expensive college, but their anticipated aid falls short of what they can afford, they’ll be forced to either forfeit their deposit or make up the difference in loans.

“They’re going to be trapped in debt that they can’t afford because they didn’t have all the information they needed when they made their choice,” Barnard said.

That uncertainty, to be clear, also affects middle-income families. A Granite State resident who has been accepted by Dartmouth College and the University of New Hampshire, for example, is currently staring at sticker prices for the next school year of $91,312 and $38,438, respectively. Without knowing how much financial aid they will receive, the Ivy League school may appear out of reach.

The irony of the FAFSA issues this year is the updated form was intended to make the process simpler and increase access to Pell Grants, which go to college students with the most financial need. The new form reduces the number of questions from more than 100 to 36.

“The hope is we would make this easier in particular for students who have less support,” said Christiana Thornton, the president and chief executive officer of the college access nonprofit Granite Edvance, formerly the New Hampshire Higher Education Assistance Foundation. “Unfortunately, the students that the form sought to assist may actually be most negatively impacted by the form, at least in this year.”

In New Hampshire, the rollout of the new form coincided with the first year its completion is a graduation requirement for the state’s high school students, following the passage in 2021 of a law also intended to increase college aid opportunities.

“New Hampshire students have had this unique scenario where now it’s a requirement and that requirement has actually become a bit more complicated as a result of the federal changes,” Thornton said.

As of March 29, the number of New Hampshire students who had completed the FAFSA form was down 29% from the same time last year, according to data from the federal Department of Education. That percentage was the second lowest in the country.

Of the New Hampshire students who had submitted the form, 17% were incomplete as of March 29, compared to 3% last year.

Earlier this week, the federal Department of Education said that up to 16% of submitted forms require a correction, while approximately 30% have processing or data errors.
Colleges hit hard

The FAFSA issues have upended the financial aid and enrollment offices of colleges across New Hampshire just as much as they have stymied families.

Colleges across the country have responded by pushing back decision deadlines beyond the customary date of May 1. UNH has extended its deadline to June 1, it announced Tuesday. The hope is students will ultimately be able to have all the financial information they need prior to deciding where to attend.

As of early April, hardly any students had received financial aid offers yet because colleges didn't get their information until mid-March, over five months after the first data typically comes in. Even then, a series of mishaps clouded the reliability of the data. As recently as last week, the federal Department of Education announced that some applications contained “inconsistent tax data.”

Franklin Pierce University in Rindge sent out its first financial aid offers last week and the University of New Hampshire won't send its first offers until late April, according to administrators at both schools.

The condensed timeline may lead to a chaotic summer, predicted Kim DeReggo, the vice president of enrollment management at UNH.

At UNH, signs already suggest the FAFSA issues may be affecting enrollment. As of earlier this week, out-of-state enrollment for next fall was down 14% compared to this time last year. (In-state enrollment was slightly up.)

At Franklin Pierce, the effect on enrollment will not become apparent until the summer, said Ken Ferreira, the university’s director of financial services.

“There's an awful lot of cleanup to do before we know where that enrollment number will actually land,” Ferreira said.

At both universities, the message to students and families was the same: we understand the process has been frustrating – hang in there.

“We don't want students to give up on their dreams,” said Ferreira. “We've been trying to give students hope, hold their hand, make sure they understand that we're here to serve them and that we're partners in this.”

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