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STUDENTS

The Verification Trap

This overlooked part of the federal-aid process isn't meant to hinder low-income students, but that's often what it does

Eli Reichman for The Chronicle

Elaine Williams, a graduate of Virginia Commonwealth U. who has been homeless, was repeatedly required to produce a variety of obscure documents to get financial aid. "Every year it felt like I took two steps forward and got pushed three steps back."

By Eric Hoover | DECEMBER 10, 2017 ✔ PREMIUM

Most students don't expect it. They're going along, thinking about something else, when, suddenly, they find themselves in a trap.

It's called "verification," a vexing part of the federal-aid process. That's just the official term, though. Many students call it a burden, a nightmare, torture.

Most everyone knows about the Free Application for Federal Student Aid, or Fafsa, which students and parents use to get government grants, scholarships, and loans. The lengthy application is widely seen as a barrier to college access, and a national push to simplify it is underway.

The Fafsa, though, is just one obstacle. Each year, approximately one in three aid applicants gets another chore. The U.S. Department of Education requires millions of new and returning students to submit additional information to colleges, which then must verify the accuracy of each Fafsa flagged for review. Students must comply to get their money. If you haven't been through the time-consuming procedure, then you're probably not poor.

Verification, such a bland and bloodless word. Don't be fooled. It's really the story of a high-school senior with no ties to his parents who waited four months for the IRS to send the tax form he requested a dozen times. It's the teenage mother who had to dig up receipts for what she had spent on her child. It's the father with no internet service who used a library computer to try to get an old form from a tax service, but couldn't afford the $40 fee. It's the football player who couldn't enroll at a community college because his mother refused to give him a tax transcript.

For the most vulnerable students, the line between enrolling and not enrolling, graduating and dropping out, is already thin. Verification difficulties push some people right over that line.

That's why recent numbers are worrying people. This fall, many colleges have seen the number of the number of students selected for verifications spike, even doubling or tripling, despite the institutions' having about the same number of aid applications as they did a year ago. And some high-school counselors say selection rates for their students are off the charts.

What's going on? The Education Department's Office of Federal Student Aid attributes the surge to big changes in the aid process. The department regularly adjusts its selection criteria based on recent application patterns, and a tumultuous cycle just ended. Last year, the Fafsa opened in October (instead of January), applicants used "prior-prior year" taxes to complete the form, and an online tool that helps them do that was disabled. All that skewed estimates for the current cycle, the department says. It's working on a fix that should be in place in mid-December. After that, officials expect the selection numbers to come down.

Nobody questions the purpose of verification: to reduce fraud and improper payments. Ensuring that the right amounts of taxpayer money go to the right people is important. Still, the federal pursuit of that goal complicates another: helping millions of students get to (and through) college.

Is verification really worth all this trouble?

No, say many aid experts and college-access advocates who think the process is

unnecessarily onerous. "We're essentially asking poor people to prove that they're poor over and over again, that their life is as complicated as they say it is," says Jessica Thompson, policy and research director at the Institute for College Access & Success. "Most low-income students are navigating this system, trying to get all these documents, without a lot of help."

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The verification trap is formidable. It hinders students and parents, high-school counselors and financial-aid officers. It causes long delays and sudden doubts. And it helps sustain a system in which wealth buys convenience, and hardship often begets hardship. Get snared, and you might not get out.

Understanding how verification works is one thing; knowing how it feels is another. When Kayla McLoughlin got her notice from Methodist University, in North Carolina, she read it carefully. "I felt alone," she says. "I felt, like, scared that I had done something wrong."

Each year, students throughout the nation have a similar reaction. Many don't know what verification is — or what the word even means. The out-of-the-blue notice can read like a reprimand. Some students get online messages with a bright-red X affixed to each task they must complete. Often, they're asked to submit tax transcripts as well as other documents. Confused, they often ask their high-school counselors, "Am I in trouble?"

Growing up in Florida, Ms. McLoughlin and her little sister often opened the fridge and found it empty. They lived with their mother, who had a billing-and-coding job at a pharmaceutical company. Then one day she lost that job, and soon the food stamps came.

The family moved to North Carolina, staying for a while with Ms. McLoughlin's grandfather. All along she wanted to go to college. At 15, she took a minimum-wage job scooping ice cream. She vowed to get as many scholarships as possible, she says, "to get

out."

Ms. McLoughlin completed the Fafsa by herself. The tax questions were the hardest. Her mother, who is deaf, had applied for disability benefits, unable to find a job. She didn't claim her eldest daughter as a dependent. "I kinda had this fear," Ms. McLoughlin says. "Are they gonna come and take back all this money because I filled out everything wrong?"

Nobody likes extra paperwork. Yet as Ms. McLoughlin learned, verification often isn't a simple as completing a quick questionnaire. What students must submit varies according to their circumstances. One student might have to complete two documents; her next-door neighbor might have to complete five.

Verification isn't a lottery. The Education Department uses "risk models" to determine which applicants to flag — and what information to verify — based on the likelihood of finding errors. The government doesn't share its selection formula, which often changes from one year to the next. Some attributes, such as family size and the number of dependents in college, are more likely than others to result in verification, financial-aid officers say.

So, while there might be some randomization involved, the selections aren't really random. The Education Department sorts applicants into a handful of different groups, each with its own code indicating the kind of information a college must collect.

Ms. McLoughlin had to complete a form asking for the names and ages of people living in her household. Then there was the "verification of income" form, which asked for the amount she spent per month on various expenses, such as rent, food, utilities, and clothing. She provided proof of her mother's Social Security benefits, as well as a doctor's letter confirming her disability. She understood the need to make sure everything was "legit," she says, "but it felt very prying."

Students selected one year are often selected again. Ms. McLoughlin completed verification as a sophomore, and again as a junior. That year, she had to explain how her mother's expenses, which for the first time included a car payment, could be greater than her income.

Families on the margins often have complicated finances. That year, Ms. McLoughlin, who had a part-time job and good credit, co-signed a car loan with her mother, and together they covered that monthly cost. Her mother was cleaning houses here and there for friends and relatives, who paid her in cash, sometimes in Food Lion gift cards. She made less than what she was required to report on her taxes, so she hadn't. "I wasn't sure how to explain to the university that my mom wasn't trying to pull one over on the government," Ms. McLoughlin says. "She was just trying to survive."

Ms. McLoughlin typed up an explanation, which her mother signed, and she submitted it to the university. Was the same thing happening, she thought, to students whose parents really did make enough money to pay for college?

Finally, her aid came through. Each year of college, her expected family contribution, or EFC, was $0. Each year she has received the maximum Pell Grant award. Not once did her aid eligibility change after verification.

The same is true for many students each year. Verification often has no impact on their eligibility, and data suggest that when it does, most changes are small. In the 2013-14 cycle, 32 percent of federal-aid applicants were selected for verification, according to data from the Education Department. That was 6.9 million people, roughly the population of Massachusetts.

A third of those students didn't submit a correction. Another third saw no change in

their EFC after completing verification.

The rest did see their EFC change. By how much? The most common amount was between $1 and $500 in either direction. Adjustments to many of their aid packages were probably even smaller.

Sure, the process weeds out fraud and errors alike. Financial-aid experts say verification saves hundreds of millions of dollars annually. Officials at the Education Department describe their task as a balancing act, trying to limit improper payments while minimizing the burdens on students and colleges.

Nonetheless, the federal government already has plenty of evidence of who's poor. Students with extremely limited means should never have to go through verification in the first place.

Students like Kayla McLoughlin, now a senior majoring in political science. This year, unlike the last three, she didn't get a selection notice, which felt weird. She went to the financial-aid office to make sure everything was OK. Kayla, someone there told her, they didn't pick you this time!

Getting picked is no fun. It all but guarantees students must wait. Wait for the Internal Revenue Service to mail tax transcripts, five to 10 business days — or 20. Wait for colleges to review all the documents. Wait for those funds to arrive.

The more verifications a college has to handle, the longer everyone must wait. This fall, anxious college students took to Twitter express their frustrations.

"Tell me why it takes the financial aid office 3-6 weeks to process my independent verification form."

"This is student abuse."

"Ucf be playing with my financial aid money talking about verification takes 6-8 weeks. Its my money and i need it now."

"After dealing with AWC's financial aid verification bs and having to pay out of pocket this semester they finally gave me the money back."

"ISO sugar daddy because financial aid chose me for verification and class starts Tuesday."

Each week, Kevion Ellis saw frustration in people's eyes, heard it in their voices. Mr. Ellis, a senior at the University of Northern Colorado, works as a peer counselor in the financial-aid office. His job is to answer questions. Half were from students and parents dealing with verification.

As the semester wore on, Mr. Ellis met students who were still waiting for aid to pay for books and supplies. "There was just this sense of overwhelmedness," he says. One angry mother he tried to help cursed at him over the phone. "I couldn't fault her," he says. "This is such a confusing process."

"They're jumping through hoops anyway, and this is jumping through a burning hoop."

Arguably, it's more confusing than ever, especially for low-income students. Millions of federal-aid applicants use the IRS data-retrieval tool to pull their tax data directly into the Fafsa, which pre-populates several questions. The tool is meant to save time, and using it is supposed to greatly reduce the odds of getting flagged for verification.

But some types of tax filers can't use it. Nor can those who earn so little that they're not required to file taxes. Those people must get a tax transcript from the IRS — often a chore and a half. During the last admissions cycle, dependent students who hadn't filed taxes before had to submit an IRS form verifying that fact. This year, they don't. But independent students do.

Until recently, applicants could request a tax transcript online, but only if they had a mortgage or credit card in their name. They also needed to be the main holder of a cellphone account. Those who lacked the latter could request a transcript online and get it in the mail, but only if their current address matches the one on their tax return, a

complication for the many low-income families who move often. Those with no mortgage or credit card must request a transcript by mail or at an IRS office.

Got all that? Good. You should also know that recently the IRS made its online transcript-request service unavailable to those who don't have an existing account.

No one should be shocked to hear that many students flagged for verification go no further. At Houston Community College, for instance, about 76,000 students filed a Fafsa in 2016-17, and nearly 37,000 (48 percent) were selected. About 18,000 (50 percent) of those students didn't complete the process, and only about 2,700 of them enrolled without federal aid.

Still, drawing conclusions from such figures is tricky, says JoEllen Soucier, the community-college system's executive director of financial aid: "Students apply and don't complete for many different reasons." Sure enough, in 2016-17 about one-third of students who completed the verification process and received aid packages at Houston never enrolled either.

Many college officials say they want better data on verification. Everyone knows the process delays and prevents enrollment. But the extent of the problem, as Ms. Soucier says, "is completely unknown." Or at least not easily quantified.

Even if verification were to somehow become as easy as completing a one-click order on Amazon.com, low-income students would still have many other challenges that keep them from enrolling. Still, it's worth remembering that selection notices are often among the first meaningful communications they have with a college.

What message does that send? "Think about getting that warning letter or email," says Adam Castro, vice president for enrollment management at Bloomfield College, where most verifications result in little or no change in aid. "It's very easy for a first-generation student, already nervous about college, to say 'That's it, this broke me.'"

Verification remains relatively obscure. For most students who apply for aid, the Fafsa is the beginning and the end of that experience each year. They might not ever hear the V-word once during college. That's surely one reason it receives

less attention than the application itself. There are national campaigns to increase Fafsa completion rates; overcoming verification challenges doesn't lend itself to a slogan.

Also, it's easy to forget that the process doesn't unfold the same way for everyone. In 2015, U.S. News & World Report published some advice for applicants who must submit additional information ("Relax" is the first tip): "While it may sound like a hassle, the verification process shouldn't be daunting, say experts."

But wait. What kind of students did those experts have in mind? They probably weren't thinking of students whose parents are undocumented. Or those from families with irregular incomes. Or students who have children. Or those who aren't in contact with their parents and have a sibling or grandparent for a legal guardian.

The process shouldn't be daunting? One college counselor recalls a prominent university asking a student she advised to obtain a death certificate from her estranged father's family in El Salvador. Another recalls a student crying when a New York university asked her to complete a "low-income verification form," which asked whether she had been "allowed to live in someone else's residence and eat their food."

One college counselor recalls a prominent university asking a student she advised to obtain a death certificate from her estranged father's family in El Salvador.

Maybe those experts quoted in U.S. News haven't visited a place like Flagstaff High School, in Arizona. Especially for first-generation college students there, the verification process is much more than a hassle, says Katherine Pastor-Lorents, a school counselor: "They're jumping through hoops anyway, and this is jumping through a burning hoop."

Ms. Pastor-Lorents advises students whose last names begin with the letters R-Z, which includes a large share of the Native American students at the school. For many of the families she encounters, the concept of going to college is unfamiliar.

So, too, is applying for aid, which some mothers and fathers have told her is a "family matter" — and not the school's concern. Once during an evening college-prep session for parents, she got down on her knees and begged them to create a username and password on the Federal Student Aid system, a crucial step that allows them to electronically sign their child's Fafsa. Do it, she told them, or else your children won't get aid.

Many students at Flagstaff work part-time, and many help care for siblings or relatives at home. "A majority of them need to have their hands held" when applying for aid, she says. "And then we expect them to go home and say, 'Mom, Dad, Grandpa, we need to do this verification process.'"

When a Fafsa is selected, an asterisk usually appears next to the EFC in an applicant's Student Aid Report online. Yet days or weeks often pass until an aid office notifies an applicant via mail, email, or the student's online portal, with verification instructions. Yet many don't check any of those, even if told to do so.

When students finally realize they must complete verification, Ms. Pastor-Lorents says, they often feel defeated.

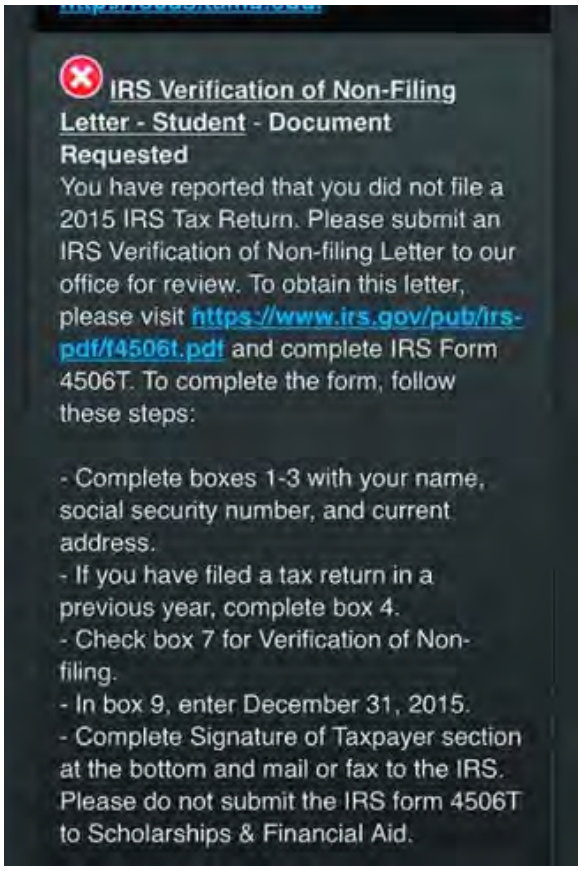
Apelila Joseph has seen that, too. A financial-aid adviser for Springfield Public Schools, in Mass., she recently advised two undocumented students who received verification requests from colleges. One decided against college altogether. "When schools are asking for everything but the kitchen sink, they're often leery about sending information out — that higher scrutiny," she says. "Especially if they're already worried about your citizenship status."

One of Ms. Joseph's students, Griffin Dowd, applied to 22 institutions this year, hoping to find as many affordable options as he could. After his Fafsa was flagged, his mother dragged two boxes up from the basement and eventually found the required tax documents.

Then Mr. Dowd saw just how inefficient the process is. Once selected, students must complete the process for each college they're considering, only one of which they can possibly attend. There are no standardized forms; colleges make their own, and the

The Dreaded Red X

The request for additional paperwork can sometimes be the final straw for students who are already strugling with the college application.



wording varies. One by one, he fulfilled 22 sets of verification requests and mailed them off.

"It was a lot," says Mr. Dowd, now a freshman at American International College. "And it was a lot of stamps."

Verification might be good for the U.S. Postal Service. Who else really benefits — and how much — is hard to gauge. Nobody wants a government that doesn't care about scarce resources going to waste because of fraud or aid ineligibility.

The benefits of verification, though, should be weighed against its consequences. So let's consider the Americans who bear the brunt of it. Most have something in common: financial need. Of the 5.3 million students who were selected for verification in 2014-15, nearly 5.2 million — or 98 percent — were eligible for the Pell Grant, which helps lower-income students pay for college.

But many of them never get that aid. In 2015-16, just 56 percent of Pell-eligible students selected for verification went on to receive the grant, compared with 78 percent of those who weren't selected. There are probably a few reasons for that gap, but one is that verification derails some college hopefuls who are very much entitled to their aid. The National College Access Network estimates that verification kept one in five Pell-eligible students from receiving the grant that year.

Verification slows down the wheels of the aid process, which can end up reducing the amount of aid a student receives. Some colleges will send selected students a tentative aid package; others won't. Meanwhile, many state and institutional grants are disbursed on a first-come, first-served basis. So when verification drags on, applicants can lose grants listed on their initial award letters, where nothing is necessarily set in stone.

Such complications often aren't always the fault of just one entity or just one person. The difficulties of verification result from the interplay of bureaucratic procedures and the particulars of a given student's circumstances.

Last year, Jazmin Hernandez, a psychology major at the University of Illinois at Chicago, got a notice requesting a copy of her father's tax transcript, verification of their address, and a worksheet to complete. Just as she had done the two previous years, Ms. Hernandez requested the tax form from the Internal Revenue Service.

Are Colleges Engines of Inequality?

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When the form finally arrived a few weeks later, she transmitted the documents to the aid office. A document was missing, she recalls being told. Another delay to get it. She sent everything again but didn't receive a confirmation. Still, she thought everything was fine.

That semester, she had a lot to think about. After falling ill, her mother had stopped working. The money her father earned from seasonal landscaping jobs wasn't enough to support the whole family. So Ms. Hernandez, who was enrolled full-time, took a second part-time job, at McDonald's, to help support her parents and younger sister.

Later, Ms. Hernandez learned that she wouldn't be receiving the same $5,000 institutional grant that she had received in previous years, the grant she needed to stay in college. By the time she resolved her verification, she learned, the money was gone.

Ms. Hernandez almost certainly would've dropped out right then and there if she hadn't known Hannah Lee, who works at the Chicago office of Bottom Line, a nonprofit group

that helps low-income college students. Ms. Lee knew that because Ms. Hernandez's parents couldn't apply for a PLUS loan, the student could qualify for an unsubsidized federal loan of up to $5,000. And so she got it.

The story conveys just how easily a low-income student's college career can unravel. Sure, Ms. Lee says, Ms. Hernandez might have helped herself by going to the financial-aid office and making sure everything was OK before it was too late. But how many students whose parents came to the United States from Mexico to work low-paying jobs grow up feeling confident and comfortable enough to do that? "Verification puts the onus on students," Ms. Lee says. "It requires them to make no mistakes, to be vigilant."

Ms. Hernandez is now in her fourth year at the university. "Now I know I should've gone to the financial-aid office in person," she says. "It's just that there were so many other things taking up my time."

That's how the verification trap works. It snags students when they're busy, delays them for weeks or months, and disrupts their plans.

Sara Urquidez has seen it happen many times. She's the executive director of the Academic Success Program, a nonprofit group in Dallas that provides college advisers to 19 of the city's public high schools. Each year she keeps a close eye on verification numbers. This fall's totals have alarmed her.

By the end of November, nearly 1,400 seniors in schools served by her organization had filed a Fafsa. So far more than two-thirds had been selected for verification. (In recent years, the total has been 33 to 40 percent.) If the current percentages hold, Ms. Urquidez anticipates an unprecedented avalanche of paperwork for students and their advisers. "I have no idea," she says, "how we're going to process all that."

Imagine the view from the desk of one of the program's college advisers. Say 150 of the seniors she advises each applies to four institutions, and 100 are selected for verification. That's 400 sets of documents to assemble: institutional forms, tax transcripts, W-2s, 1099s, and whatever else a college might ask for. Many students will need a lot of help from that adviser, who must spend less time advising and more time sifting through documents. "We've made this so complicated," Ms. Urquidez says, "that a kid can't

figure it out on their own."

> **"We've made this so complicated that a kid can't figure it out on their own."**

The numbers from the Dallas schools reveal a striking socioeconomic contrast. Verification isn't random, remember? So far, the average EFC of students selected for verification is $854. The average for those not selected is about $15,000. It's another reminder: Lower income, greater bother.

That dynamic worries Nicholas W. Prewett, executive director of student financial aid at the University of Missouri at Columbia. He's been watching verification numbers climb, too. As of early December, 83 percent of Missouri's Pell-eligible applicants had been selected. A year ago, the number was just 33 percent. And 38 percent of all students flagged have a $0 EFC. Those numbers trouble him.

The jump in Pell-eligible verifications reflects a sharp increase over all. As of late November, 32 percent of Missouri's aid applicants had been selected, up from 13 percent a year ago. "There's been a little bit of panic," he says. "Right now, we're in a scramble phase to keep up, and it's going to take us longer to turn around files."

Mr. Prewett's office is staffed to handle up to 3,000 verifications per cycle; the university already has more than 5,000. And the more "regulatory" tasks that aid officers must tend to, the less time they have for one-on-one advising.

Mr. Prewett has a deeper concerns about verification. "It creates an artificial barrier" for students, he says. "We're questioning their authenticity."

A major shift has occurred within his field. For years, Missouri and many other colleges participated in the federal Quality Assurance Program, which let them set their own verification criteria, based on analyses of application elements that were most likely to contain errors. Many aid directors say the approach enabled them to focus their verification, resulting in fewer selections. The Education Department ended that

program at the end of the 2016-17 cycle, and all colleges must now verify the students the government selects.

The current system complicates the nature of aid officers' work, says Justin Draeger, president and CEO of the National Association of Student Financial Aid Administrators. "They're asked to counsel and be a trusted source, and also to be federal police officers hounding students," he says. "Those two things don't go hand in hand."

Perhaps it's fitting that aid officers wear two hats. The Education Department does, too: It manages an aid system that propels millions of students through higher education while also policing the distribution of all that aid.

Verification is a trickle-down system. Once the government flags a student, the onus is on the college, which spends a great deal of time and money verifying his information. Naturally, students tend to blame their institution for the hassle.

That dichotomy is especially difficult to manage at community colleges, which serve many low-income and first-generation students. When Cuyahoga Community College, in Ohio, ran its own verifications under the Quality Assurance Program, it selected 12 percent to 15 percent of aid applicants each year. Yet the verification rate has just about quadrupled — to 48 percent — now that the government does the flagging. Staff members in the system's four aid offices have been working overtime to keep up. Once those offices could verify a file within a couple days; now it's more like three or four weeks.

"It's changed a lot of our focus, in terms of what we can do for students individually," says Angela Johnson, executive director of enrollment and financial aid. "We pride ourselves on access, but this has made us feel pretty insufficient. We feel the weight of the pressure from students."

As policy makers in Washington consider proposals for untangling the aid system's knots, footnoted policy reports and proposals might well inform their thinking. Sometimes, though, nothing is as powerful as a student's story. Recently, Elaine Williams came to Washington to tell hers.

In late November, Ms. Williams testified before the U.S. Senate Committee on Health, Education, Labor and Pensions, which heard proposals for simplifying the Fafsa. As legislators in cushioned chairs looked on, Ms. Williams described the form as her "No. 1 hurdle" in finishing college.

Ms. Williams grew up in Richmond, Va. When she was in middle school, her mother — then struggling with addiction and mental-health problems — couldn't care for her. So she lived for a while with her great-grandmother, then with various relatives, never for very long. After her 18th birthday, one of those relatives kicked her out.

One in 10 young adults between 18 and 25 experiences some form of homelessness in a year, according to a recent report. And 29 percent of them were enrolled in college or an educational program.

Ms. Williams completed the Fafsa with the help of a college-access group. Though most students must include parent information on the form, the federal McKinney-Vento Homeless Assistance Act allows unaccompanied homeless youth to forgo that requirement and file as independent students.

After dropping out of one four-year college and working for a year, Ms. Williams applied to Virginia Commonwealth University, which, she said, required two letters verifying her status as an unaccompanied homeless youth, as well as other documents. The process, she told the panel, took four months, causing her to miss out on grants.

The next year, Ms. Williams said, the financial-aid office told her it would no longer accept a letter verifying her independent status from her high-school social worker. She was instructed to get a letter from a homeless shelter, but there wasn't one for young adults. The university wanted information about her parents. Finally, after a national organization and a professor wrote letters of support, she completed verification and received her aid.

Homeless and foster students must verify their status annually when they apply for aid. A 2016 report by the Government Accountability Office found that repeated requests for documentations can keep such students from accessing federal aid. "It was re-traumatizing to have to explain my situation over and over again to strangers," Ms.

Williams told the panel, "and feel like they didn't believe me."

Later, Ms. Williams told The Chronicle that going through verification often made her feel unwelcome, out-of-place. She worried that she wouldn't be able to stay enrolled. "Every year," she said, "it felt like I took two steps forward and got pushed three steps back."

Ms. Williams, who graduated this spring, helped start a nonprofit organization that helps homeless young people in Richmond. On Monday evenings, the group meets at a Methodist church. Some of the regulars are high-school students who intend to apply to college, and they come with questions for Ms. Williams.

Save your tax documents, and make copies, she tells them. Have your homeless-verification letter ready. She wants to prepare them for what she's been through. Because they'll probably find themselves in the same trap.

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