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Integrating Tax Preparation with FAFSA Completion: Three Case Models

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This research compares three different models implemented in four cities. The models integrated free tax-preparation services to assist low-income families with their completion of the Free Application for Federal Student Aid (FAFSA). There has been an increased focus on simplifying the FAFSA process. However, simplification is not the only barrier that students face while completing the FAFSA. Tax preparation is also an integral part to FAFSA completion. This paper illuminates how four cities aim to integrate tax preparation and FAFSA completion through local community partners. While all four cities faced a variety of challenges reaching their target populations at a scalable level, the Campaign for Working Families in Philadelphia demonstrated a more integrated, successful tax-preparation and FAFSA completion program due to its robust Volunteer Income Tax Assistance (VITA) organization.

In 2005, the Advisory Committee on Student Financial Assistance issued a report on the simplification of the financial aid application process. Of their 10 recommendations, four called for ways to streamline and simplify the Free Application for Student Financial Aid (FAFSA). These sentiments of simplification were later reiterated by the Spellings Commission (U.S. Department of Education, 2006):

Any new federal financial aid system should aim to replace the current federal aid form [FAFSA] with a much shorter and simpler application form...Students should have information about financial aid eligibility (such as need or ability to pay) sooner and with early estimates of likely aid available as soon as the eighth grade (p. 19).

Policymakers recognize that the cost of college is a critical barrier for many low- and middle-income students and the FAFSA is the gatekeeper for federal, state, and institutional aid programs. Researchers (Bettinger, Long, Oreopoulos, & Sanbonmatsu, 2009; King, 2006) estimate that between 750,000 and 1.5 million otherwise eligible students fail to submit the FAFSA each year, and according to Dynarski and Scott-Clayton, the complexity of the form is a contributing factor for under submission of FAFSA. In 2009, the FAFSA form included 153 questions, many of which required detailed income tax information from students and parents (Executive Office of the President of the United States, 2009). Efforts have been made to streamline the form by eliminating unnecessary questions, adding skip logic to filter out questions that do not apply to particular applicants, and providing students the option to pre-populate the

FAFSA with tax data from the Internal Revenue Service (IRS), which is also known as the IRS Data Retrieval Tool. As a result, the form has been shortened, and in 2010 electronic tax filers had the option to allow the IRS to release tax information to the U.S. Department of Education. Dynarski and Scott-Clayton (2007) argue that federal aid could be simplified to the back of a postcard, relying only on existing IRS data. However, they also argue that simplifying the form is only part of the problem. Many students and families are ill-informed about college costs, and information about financial aid eligibility is not made available to families until late in the college-application process. In the absence of that information, students on the margins of attendance will likely choose not to attend.

While simplifying the form makes an important contribution, it is not the only barrier that students face when completing the FAFSA. Completing the FAFSA is predicated on filing income taxes. Yet, for many low-income families, this component of the FAFSA is a significant barrier to completing and filing a FAFSA. In this study, we examine the implementation of three FAFSA-completion models of locally support initiatives in four communities – Bridgeport/Hartford, CT; Buffalo, NY; Baltimore, MD; and Philadelphia, PA. Each model is designed to address the problem of FAFSA completion by integrating free tax preparation with FAFSA completion services while targeting prospective low-income students and families in urban communities. We answer two questions in this study: (1) How have high-need communities responded to low FAFSA completion rates among their residents? and (2) What lessons can be learned about the design and implementation of these FAFSA completion strategies? We are most interested in how local community partners integrate tax preparation with FAFSA completion and whether those strategies can be replicated in scalable ways that maximize scarce resources.

We begin by framing this study in the larger discussion of the complexity of the financial aid system and the need for a simplified process for low-income, first-generation, and under-represented minority students. While the integration of tax preparation and FAFSA completion is fairly recent, some important work has been done indicating the need to simplify the FAFSA completion process. Next, we discuss the multiple case study method and review the three cases embedded in this study. In our comparative analysis, we look at different models for integrating the two services and discuss the potential and limitations of each. We conclude with a discussion of our findings from the three cases and implications for policymakers, educators, and community leaders looking at strategies to better serve the needs of low-income communities.

This study makes important contributions to the current discourse surrounding college access and success in two ways. First, completion of the FAFSA has been a point of emphasis for researchers and policymakers for the past several years (College Goal Sunday USA, 2011; Institute for Higher Education Policy, 2007; King, 2006). This work points to the complexity of the forms, the inaccessibility of the process, and the need for greater support of students and families. With the exception of the H&R Block Experiment (Bettinger, Long, Oreopoulous, & Sanbonmatsu, 2009) and the proposal by Dynarski and Scott-Clayton (2007), no work has

examined community-based support strategies designed to improve tax preparation and FAFSA completion. Researchers, educators, and policymakers looking for ways to help students navigate the college-choice process may find the experiences from these four communities instructive on how best to assist students and parents, particularly low-income, first-generation, and under-represented minority students who are more sensitive to price and averse to debt (Heller, 1997, 2004). A final contribution of this research is that it points to potential barriers for efforts designed to integrate tax preparation with FAFSA completion. While all four communities offered free services for both tax preparation and FAFSA completion, all faced challenges reaching their target populations.

Framing the Study

Efforts to simplify FAFSA completion reflect a growing strand in college-access literature emphasizing the need for better access to information for low-income, first-generation, and under-represented student groups as they attempt to navigate an increasingly complex college-choice process. Kirst and Venezia (2004) examine students' plans for college and find that students and parents are generally under-informed, overestimating the college costs and underestimating academic expectations. They use signaling theory to suggest that there is a misalignment between K-12 and higher education, resulting in contrary and inconsistent messages to students and parents regarding the college-choice process. Avery and Kane (2004) examine students' perceptions of college in a pre-college outreach program and conclude that while students overestimate the cost of college, they also overestimate the potential benefits in terms of potential wages earned after graduation. They found that students are discouraged by the complexity of the process, even in a pre-college outreach programs designed for this purpose.

Venegas (2006) suggests that lack of information among low-income students in an urban setting may be a consequence of the changing nature of technology. She argues that while students may have greater "access" to computers and web resources, they lack the instrumental knowledge or the guidance to make sense of that complex environment. She also reports that families were distrustful of web tools that required extensive personal information – like the FAFSA. Dynarski and Scott-Clayton (2006) argue that the financial aid system does not provide students and families information early enough in the college-going process such that they can make informed decisions about whether or where to attend college. In a subsequent study, Dynarski and Scott-Clayton (2007) found that utilizing a fraction of the items included in the FAFSA accounts for as much as 90% of the variance in Pell Grant eligibility for dependent students. Their conclusion is that a simplified financial aid system operated through the tax system would be optimal while remaining both efficient and equitable.

Previous research is conclusive that access to clearer, simpler, and more targeted information about the cost of college and the process of applying for aid can increase students' chances for FAFSA completion, though less has been done examining community-based efforts to simplify the process. College Goal Sunday (CGS) was designed to bridge this gap and it has become a visible, nationally recognized program. CGS began in 1989 in

Indiana as a joint project of the Indiana Student Financial Aid Association and the State Student Assistance Commission of Indiana, with funding from Lilly Endowment. The program encourages students to apply for financial aid and supports students and their families through the FAFSA process during a single, high profile event. In 2011, forty-four states sponsored CGS initiatives (Westin, 2010).

The Institute for Higher Education Policy (IHEP) reports that between 24,000 and 28,000 students and their families were served at CGS events across 39 states and 866 sites. IHEP (College Goal Sunday USA, 2011) also found that while participants were highly satisfied with the experience and volunteers were deeply committed to the program, CGS events had an uneven record across states in terms of serving their target audiences – low-income, first-generation, and under-represented minority students. More challenging, however, is that while reaching 28,000 students in a given year is substantial, it represents a small proportion of first-year college students in the U.S. At the same time, IHEP cautions that CGS may be reaching a saturation point where they have limited or no capacity to serve significantly greater numbers of students. The benefits of CGS may extend beyond the numbers they serve. As IHEP demonstrates, the local grassroots approaches to marketing make the event recognizable well beyond the immediate participants.

In 2007, researchers partnered with H&R Block to conduct a randomized study of whether completing the FAFSA affects college enrollment. Using retail offices in Ohio and North Carolina, customers were screened for eligibility (i.e., below \$45,000 family income) and randomly assigned to one of three groups: (1) a full treatment group - assistance completing the FAFSA and information about grant and loan eligibility, (2) an information - only treatment group, and (3) control group - only information about income level eligibility was provided. Researchers then tracked students into college using National Student Clearinghouse data. Bettinger et al. (2009) demonstrated that when tax preparers populate and submit the FAFSA form for customers, they were much more likely to apply for aid, attend college, and qualify for higher levels of financial assistance. The conclusions suggest that linking tax preparation services with FAFSA completion simplifies the filing process and has a positive effect on college enrollment.

However, the 2007 H&R Block experiment examined a small proportion of dependent students or parents of dependent students and, as such, the findings are more robust for independent students. Also, the H&R Block experiment examined families seeking out tax-preparation services and as a consequence, a small proportion of them had children ready to enter college. So while the findings are convincing, the strategy may not be optimal in terms of reaching graduating high school seniors. An important advantage of the H&R Block experiment was the development of software that integrates tax preparation software with the online FAFSA – a feature that others have not yet been able to replicate.

Strategies to simplify the FAFSA through tax preparation are relatively new and have evolved in different ways depending upon the origins of the

program, the sponsors of those initiatives, the manner in which the service have been provided, the target audience, and the frequency of the service. We also suggest that, because these approaches are intended to simplify a process by providing more and better information to students and parents about whether to invest in college and how to pay for it, the success of these programs may require additional strategies to help students and parents understand the cost of college beyond the FAFSA's expected family contribution (EFC).

The research conducted to date suggest that tying tax preparation to FAFSA completion, particularly in combination with better information about the costs of college and potential benefits of attendance, holds great promise for enhancing postsecondary opportunities for students. The U.S. Department of Education partnership with the IRS to automatically import tax data into their FAFSA forms is a useful step forward for many, but we suspect that for low-income, first-generation, and under-represented minority students, simply creating a more efficient process will not increase the proportion of families submitting the FAFSA.

Methodology

This paper reports on a comparative case study of three different strategies designed to integrate free tax-preparation services with FAFSA completion. We view this study as an exploratory investigation and formative evaluation of the project as a way to learn across state and local contexts to improve FAFSA completion. Yin (2003) likens each case to a unique experiment and in a multiple case-study design, the cases are replications, but each in a different context. We chose these three strategy-based cases at four sites, in large part, because they were early adopters and represented unique approaches to the FAFSA completion problem. Thus, this study is a purposeful sample in design. Our primary unit of analysis for the case studies is the local community organization responsible for initiating and facilitating the FAFSA completion services. We treat these cases as embedded within unique state contexts, which influence how partnerships were formed and how local initiatives were implemented.

We conducted interviews with eight key stakeholders involved in the planning and implementation of CGS as well as those responsible for providing access to free tax-preparation services including CGS site coordinators, CGS state-coordinators, and community-based outreach program directors (i.e., CASH Buffalo, Baltimore CASH, and the Campaign for Working Families). Each interview was approximately 45 minutes and respondents were asked about the structure, function, and funding of their respective FAFSA completion projects. Interviews were digitally recorded and transcribed. We use Strauss and Corbin (1998) recommendations for coding techniques and employed open, axial, and selective coding throughout the data analysis. Throughout the study the coding of data is an iterative and evolving process. Interview findings are triangulated with program summary documents, evaluation reports where available, and web resources for each of the programs. The findings of this study are not intended to be representative for the broader population of pre-college outreach and intervention efforts or Volunteer Income Tax Assistance (VITA), which offers free tax preparation services for low- to

moderate-income (approximately \$49,000 and below) families or individuals who might not otherwise prepare their own returns. Instead, we expect that the three strategy-based cases reflect a range of approaches to tying these two services together, and those insights will be instructive for communities considering similar strategies in the future. This as an exploratory study designed to illuminate a range of programmatic features that may be considered by others seeking to implement similar strategies. We also expect that this evaluative study will contribute to already existing evaluation studies of programs that differ in terms of design and implementation.

We consider three unique cases of community-based initiatives to tie tax preparation to FAFSA completion (tax prep/FAFSA completion). Members of each community-based organization (CBO) recognized the advantage of linking these two services, but each CBO began in different ways - under the leadership of different partners and within unique local contexts. We use these cases as a way to illustrate the benefits and consequences of each approach, recognizing that while context matters, all of these cases are situated within metropolitan centers of varying size. In each case, the tax prep/FAFSA completion project builds upon an existing foundation – and that foundation influences the trajectory of development for each initiative. Table 1 provides a summary of the differing features for each program.

Table 1. Features of Community Based FAFSA Completion Programs

	Case #1	Case #2	Case #3	
	Bridgeport/ Hartford, CT	Buffalo, NY	Baltimore, MD	Philadelphia, PA
VITA Participation	X	X		X
CGS Coordination	X	X		
State Collaboration	X			
National Community Tax Coalition (NCTC)			X	X
College Access Challenge Grant	X			
School-Based Sites	X	X		
Community-Based Sites			X	X
Financial Literacy Initiative		X	X	X
Community-Based Organization Partner			X	
Multi-site Initiative	X		X	X
VITA/CGS Cross-Trained Volunteers			X	X

This study begins with experience of Hartford/Bridgeport, CT, which had the earliest record of adoption of three cases. Connecticut identified FAFSA completion and tax preparation in their 2008 College Access Challenge Grant proposal, but those efforts were not coordinated with existing local programs (U.S. Department of Education, 2011a). The second case considers the integration of tax preparation and FAFSA completion in Buffalo, NY. Both the federally sponsored Voluntary Income Tax Assistance (VITA) program and College Goal Sunday (CGS) have existed for at least five years, and yet, 2011 was the first year the two programs were integrated for students in the Buffalo Public School district. The third case combines the experiences of two cities – Baltimore and Philadelphia – that embarked upon this integration as part of the national Financial Aid U project. Each approached the challenge of increasing FAFSA completions in different ways, resulting in divergent but important ways.

Findings

Case 1. The FAFSA First Completion Project: State Influenced FAFSA Assistance (Bridgeport/Hartford, CT)

Connecticut identified the integration of FAFSA completion and free tax preparation as part of a statewide initiative, and they were the first to integrate existing programs for each purpose. The Connecticut project was coined “The FAFSA First Completion Project” and was launched in 2008 under the College Access Challenge Grant (CACG) funding (U.S. Department of Education, 2011a):

Through the VITA FAFSA preparation service, VITA sites in the Hartford area are staffed by a FAFSA completion counselor who works in partnership with the site tax preparers in order to coordinate the completion of the FAFSA based on the completed tax information (U.S. Department of Education, 2011 b, p. 10).

VITA volunteers receive training and are certified by the IRS. However, VITA volunteers were not cross-trained for both tax preparation and FAFSA completion.

In January of 2011, the Connecticut Association of Professional Financial Aid Administrators, the Connecticut Association of Educational Opportunity Program, and the YMCA of Greater Hartford sponsored CGS events at several sites throughout Connecticut. CGS was identified as a natural fit for combining FAFSA preparation and tax-prep services; however, it was not mentioned as part of the CACG’s The FAFSA First Completion Project. As such, CGS events did not coordinate with the Connecticut Department of Higher Education and CACG grant administrators – a finding evident in both the interviews and a review of evaluation documents made available through the U.S. Department of Education.

As part of The FAFSA First Completion Project, assistance was provided at seven tax preparation sites and FAFSA completion workshops were sponsored at two community colleges across the state. According to

organizers, turnout for the events was low and the total number of students served was only 25. Organizers attributed the low turnout to the likelihood that most families were receiving the information through financial aid nights hosted at most high schools in the state. Additionally, there was a reported duplication of efforts regarding CGS in Connecticut. In 2011, CGS partnered with VITA to offer tax-preparation services as part of their event in Bridgeport, independent of the state CACG initiative. These two efforts were not effectively coordinated with one another and the turnout was lower than expected at both events. Another major challenge for the Connecticut strategy was the automatic pre-population of data from the IRS to the online FAFSA (U.S. Department of Education, 2011b). Prior to 2011, they had anticipated a fully integrated interface that would allow volunteers to seamlessly populate the FAFSA after completing a tax return. Unfortunately, the new electronic option was not sufficient for the purposes of these outreach programs because there was a delay between filing the tax form and the federal acceptance of the return. It was only upon acceptance of the filing that the IRS would release the tax data to the U.S. Department of Education, meaning that service providers could not complete both forms in a single session.

In 2011, the CGS event hosted at Central High School in Bridgeport, CT offered free tax preparation and served 80 families. Bridgeport, like other communities, relies on financial aid professionals from local area colleges to provide FAFSA assistance. The city provides an interesting contrast because, while located in one of the more affluent counties in Connecticut, Bridgeport has one of the largest and poorest cities in the state. This particular site was one of only two in the state to partner with VITA for free tax-preparation services. Bridgeport used the CGS as the primary mechanism to integrate the two services. Overall, 25-30 participants took advantage of the tax service and 12 people completed both taxes and the FAFSA at the event.

Students were pre-enrolled and registered for CGS online. Each registered participant received an email asking them if they were interested in VITA services. The email address was the primary method by which organizers communicated with participants. They found this additional outreach to be extremely important to provide participants with the information necessary prior to attending the event (i.e., what forms and documentation they needed to bring). On the day of the event, the tax preparation service was staffed by five VITA volunteers. Organizers cite two key challenges: making sure participants came to the event with all of the correct documentation and moving them from tax preparation through FAFSA completion. Additionally, they faced challenges reaching parents and making sure that the promotional materials were effectively distributed and received by the target populations.

The Bridgeport case was unique because it was identified as part of a larger statewide strategy to increase college access and success. However, as the data illustrate, the local effort was at best, loosely affiliated with the state strategy and the overlap of services may have undermined the efforts of each. Bridgeport's The FAFSA First Completion Project program had a number of strengths as indicated in Table 1, but it also had several missing

components. It did not received additional funding from National Community Tax Coalition (NCTC), was not situated as part of a larger financial literacy initiative, and had limited capacity that volunteers were not cross-trained for both tax preparation and FAFSA completion. Connecticut's FAFSA Completion Project was unique case in its connection to the state CACG initiatives, but it was not well coordinated and efforts could have been enhanced if informed by the 2007 H&R Block experiment.

Case 2. CGS, A Community-Based Initiative (Buffalo, NY)

Creating Assets, Savings, and Hope (CASH) Buffalo was established in 2004 by the United Way of Buffalo and Erie County. CASH is one example of a community-based asset building coalition that promotes a culture of financial literacy while helping low- to moderate-income people capture the Earned Income Tax Credit (EITC). CASH Buffalo, a NCTC member,

is an initiative of the United Way of Buffalo and Erie County...[whose goal] is to increase the stability of low- to moderate-income families by increasing access to tax credits and income supports; improving financial literacy, and providing opportunities for affordable housing and other asset development (United Way of Buffalo and Erie County, 2012).

CASH Buffalo offers an array of programs and services ranging from tax preparation to individual development accounts. In 2010, CASH Buffalo coordinated the efforts of the Buffalo Federation of Neighborhood Centers, which operated the local VITA network and the mobile Income Taxi unit. In early December, members from the CASH Buffalo coalition were invited to participate in planning for the local CGS event, which organized as part of a larger Buffalo Public School (BPS) Scholarship fair. According to CASH Buffalo organizers, this was an opportunity to reach low-income families of prospective dependent college students, which is a subset of the population they served less frequently at community VITA sites. At the same time, BPS administrators were interested in finding ways to reduce barriers related to FAFSA completion. One BPS district administrator summarized:

We would advertise that we wanted parents to bring their tax information. Each year we tried something a little different. We tried fliers, we tried putting it on the website, we tried having counselors share it with parents, but we were still having difficulty in that particular area. Parents were coming out to get support, but without that information it could only go so far.

The groups met and agreed that their services could be combined in a mutually beneficial way. Buffalo is the second largest city in New York State and is ranked third poorest in the country (Newscore, 2010). According to the New York State Education Department in 2010, the BPS district graduates just over 50% of its students while serving a diverse population of students, many of whom would be first-generation college students. The Buffalo Scholarship Fair began in 2005 as an effort to help

more BPS students pay for college. Even though it became a part of the CGS New York network, they did not assume the name of the national project for two reasons. First, the organizers decided that Saturday was a better alternative for their students and parents. Second, and more important, the event expanded to include four components: FAFSA completion, informational workshops, scholarship applications, and the postsecondary services fair. Organizers felt the more inclusive name was a better reflection of the event, but that it prevents organizers from capitalizing on visibility generated by the national marketing campaign. In 2011, the BPS Scholarship served more than 500 total attendees from 33 different high schools. According to organizers, approximately 120 FAFSA forms were completed during the four-hour event.

During the same year, the BPS Scholarship Fair also offered, for the first time, free tax-preparation services through VITA. According to one event organizer, 11 families had registered for the tax preparation service at CGS. However, on the day of the event only 2 of the 11 showed up. After some investigation, organizers learned that all of the pre-registrations were scheduled by a counselor for a local pre-college preparatory program, but were not communicated to the students and families. During the day, two additional families registered on-site, bringing the total of four families receiving tax preparation services.

We found several challenges limited the potential impact of the tax preparation component at the Buffalo Scholarship Fair. Interviews and observations suggest that marketing for CGS was not well integrated with the VITA marketing and the registration systems were also separate. Equipment concerns and setup issues added to the lack of execution of the tax-prep component. The general lack of cohesiveness between the FAFSA completion portion and the tax preparation services confused both participants and volunteers. One of the critical challenges organizers faced was how to effectively integrate two established strategies, with separate organizing bodies, established processes, and complementary but different purposes. The registration process provides a useful illustration of the challenges.

The Scholarship Fair allows students to register online and many students do this under the watchful eye of their school counselors. The online registration feeds into a central database and helps organizers keep track of who actually attends the event. It has been limited however, because a number of families show up on the day of the event and bring completed paper registrations, which may or may not have been entered into the database. VITA, by comparison, runs its streamlined, coordinated registration through a United Way sponsored service called Western New York 211. The VITA registration serves three purposes: (1) schedules individuals and families for its tax preparation session, (2) provides information regarding what participants need to bring to the session, and (3) provides reminder calls to ensure that people make it to their scheduled appointments or to fill those spots with others.

As a consequence of the abbreviated planning period, organizers were unable to effectively combine the registration processes for the scholarship

fair and tax preparation. The online system has the advantage that it allows students to register easily but it does not provide the sorts of safeguards the Western New York 211 system provides for the tax preparation service. It is possible that the lack of integration of these two systems resulted in the relatively low participation on the day of the event and the inconsistent turnout of those that actually registered for the tax service. The more important limitation of this model is that there are capacity constraints for a single one-time event. Given the space and the available financial aid volunteers, it would not have been possible to complete many more FAFSA forms during the four-hour event. Even if the tax-preparation service had doubled its output, there were not enough volunteers to assist with the FAFSA completions.

The capacity constraints are also driven by the two groups of volunteers, financial aid professionals and income tax servicers. CGS is staffed largely by financial aid professionals from local area colleges. They are experts in financial aid processing and are intimately familiar with the FAFSA form. VITA volunteers come from a range of backgrounds but all are trained and certified to complete a range of tax return forms. To date, the integration software developed by 2007 H&R Block Experiment has not been made publicly available and as a consequence, all information is entered manually, resulting in a large commitment of time. Neither set of volunteers has been trained in both processes, which may be a limitation, but in the context of CGS may have a negligible impact on the total number of families served.

Case 3. NCTC's Financial Aid U Grant – VITA's Impact on FAFSA Completion (Baltimore, MD and Philadelphia, PA)

The Baltimore CASH Campaign was formed in the fall of 2001 and was designed to help working families in Baltimore maximize their financial opportunities and resources. The campaign focused on “making work pay” by leveraging the tax code as a gateway to financial services for working families (Baltimore CASH Campaign, 2009). Similar to the CASH Buffalo program, Baltimore CASH is a coalition composed of non-profits, foundations, community-based organizations, government agencies, the IRS, and hundreds of volunteers. Since 2001, the Campaign has helped Baltimore city residents claim over \$59 million in total federal refunds and over \$26 million from the EITC (Baltimore Cash Campaign, 2009). Baltimore CASH connects people at tax time to opportunities to build their wealth, create savings opportunities, and meet financial needs.

In 2008, NCTC launched Financial Aid U (FAU) (Center for Economic Progress, 2011) and partnered with community agencies in large metropolitan centers around the country (Center for Economic Progress, 2011). By the third year of the initiative, 10 FAU partners were serving 3,184 clients located around the country. That year, Baltimore CASH applied for and was 1 of 10 recipients nationally to receive funding through the Citi Foundation to participate in FAU. They trained FAFSA coaches to work at tax sites and conduct additional trainings and orientations for tax preparers. Tax preparers were also trained to assist students and families in the FAFSA application process.

FAU required organizers to partner with schools and provide tax preparation services and FAFSA completion counseling for qualified students. Baltimore CASH partnered with College Bound, an organization that places College Access Program Specialists (CAPS) in Baltimore's public high schools to help students navigate the college-choice and selection process. According to organizers, CAPS were already helping students complete FAFSAs, which made a natural opportunity to bring tax preparation into the high schools. College Bound held 30 separate events at the high schools and filed 130 FAFSAs, which is low number of FAFSAs given the number of events held, but higher than Hartford and comparable to Buffalo. Additionally, they participated in CGS through their connections with College Bound and offered additional tax preparation services on that day in Baltimore City, but with similarly modest results. According to local organizers, their FAU grant was not renewed for 2011-2012 and they do not expect to continue the service.

The Baltimore CGS events were held at 10 different locations around the city. Two of those sites offered free tax-preparation services in addition to the FAFSA completion. Approximately 60 tax returns were prepared, which reflected 20% of the total attendees participating at those specific sites. The College Bound Foundation brought Baltimore CASH, who coordinates the VITA volunteers, into the CGS event. The CGS planning committee had been attempting to bring tax-preparation services to CGS for a few years, but the FAU grant made it possible. While the CGS coordinators were satisfied with the attendance and relayed positive sentiments regarding the coordinated effort, the VITA representatives felt the event was a failure in terms of tax preparation. Baltimore CASH reported the CGS event did not adequately market the event or serve the targeted population of low- to moderate-income families. Organizers indicated they did not expect to participate in 2012 due to funding cuts and their perception that the target audience was not addressed.

The advantage of the VITA initiated programs is that they draw from a larger pool of potential volunteers, offer more times and locations, provide a more formal training program, and employ a more standardized registration process. From a college access perspective, the program is limited because their traditional service locations did not include schools or pre-college outreach programs. By contrast, CGS occurs one day, typically in one location across the entire city, staffed by financial aid experts that rely on parents to bring their completed tax returns. CGS offers two advantages for communities seeking to integrate these services: (1) a strong and recognizable national campaign to encourage usage, and (2) strong partnerships with local school districts, allowing financial aid staff to target their efforts to those most likely to attend college. FAU provides a model for integrating these services into school partnerships so long as the districts are willing to participate.

The efforts of the Campaign for Working Families (CWF) in Philadelphia provide a useful contrast to the experience of Baltimore CASH. CWF was established in 2003 as a way to help working families in Philadelphia move up the economic ladder. In addition to offering free tax-preparation services and helping working families benefit from the EITC,

CWF manages the FAU initiative. Philadelphia, like Baltimore was 1 of the 10 metropolitan centers selected for participation in the NCTC program. FAU Philadelphia seeks opportunities to go into high schools and conduct onsite tax and FAFSA preparation and to follow up with students to ensure they are on the right path to fund their post-secondary education. The program relies on strong partnerships with existing college-access initiatives. This includes relationships with school counselors and access to local events including CGS. A CWF staff member discussed the importance of partnerships:

Usually one guidance counselor would sort of be excited to have us onboard and would take the initiative for helping us get a couple of events together. We would schedule a couple dates that we were going to be at the school. They would kind of help us out. The idea of having a project champion or site liaison was critical for our success in the schools.

In addition to their efforts associated with FAU Philadelphia and outreach at local schools, CWF has integrated FAFSA completion services into their VITA program through a comprehensive Intake Resource Center where volunteers are trained to identify needs and help families work toward financial goals. One Philadelphia participant described the level of integration and coordination with the Intake Resource Center:

We have a really organized program at our largest tax site. It is called our resource builder program. It puts every customer through an intake process where we can ask them sort of pointed questions targeted to the services we offer to try to identify what services we should offer to the family. One of the questions we ask is if the taxpayer or anyone in their household is planning to go to college the following fall and so that helps us kind of narrow down who we should be talking to about the FAFSA. All of the people that do the intake are also trained to do the FAFSA as well as a number of different things. Usually, they will start the FAFSA right then when they have their attention and then after they are done with the taxes they will come back and finish on the backend.

Baltimore and Philadelphia were both a part of the same large-scale national pilot project and, in many ways, were similar in terms of both the size and scope of their strategies. Both Baltimore CASH and the Philadelphia CWF had been in existence for 10 years and provided services at between 11-17 locations throughout their respective cities. The Philadelphia VITA program trained more than 700 volunteers annually, which is much larger than the number of financial aid professionals available for a local CGS program. According to both locations, Philadelphia CWF was more successful achieving its goals. A Baltimore organizer commented how grant renewal may indicate a successful program:

They (CWF Philadelphia) were a grantee for the last two years through the National Community Tax Coalition and have also been awarded another year. So they were awarded another year and are going to continue and I think they've had a lot of different experiences than we have had in Baltimore.

Last year CWF Philadelphia completed between 100-120 FAFSAs at the tax sites and around 300 FAFSAs at the schools. As part of their FAU grant, CWF expanded all of their services to include FAFSA completion with tax preparation and added school sites to their services. With their transition into schools, CWF organizers felt it was important to offer the free tax-preparation services as a way to entice parents to attend sessions with their children. CWF also felt that offering tax-preparation services was an effective way to build community support and gain trust and buy-in with the local high schools. They have secured funding through NCTC to continue the service in the schools through 2012; however, continued funding is uncertain. CWF plans to continue their onsite FAFSA completion and coaching in conjunction with tax-preparation services through the Intake Resource Center at their local VITA sites. The future of the FAFSA completion services at the Baltimore VITA sites is still being considered, but the program no longer includes FAU funding.

Comparative Analysis

Across the three cases, several models emerge as possible strategies for facilitating the integration of tax-preparation services and FAFSA completion in metropolitan centers. The state-support model found in the Bridgeport/Hartford case has some appeal for policymakers because it attempts to address the problem at the system level. However, state leaders and local program coordinators did not appear to have an effective coordination strategy and as such, their efforts were duplicative and poorly attended. The Connecticut's CACG, which not only provided tax-preparation and FAFSA completion, but also college counselor training and social marketing, amounted over \$419,000 in 2008 and \$1.5 million a year beginning in 2010. We conclude that the state-support model will be limited without effective local partnerships and tailored initiatives designed for the unique circumstances within communities, even when resources are available.

The CGS model, as illustrated by Buffalo, begins with a one-time event as the focal point of local FAFSA completion efforts and adds tax preparation to improve its chances for success with low-income families. The CGS model is focused primarily on college access and as such, targets the traditional college going cohorts in high-need communities. The event is comparatively easy to promote, which provides a platform to educate and inform parents and students about the actual cost of college. The CGS model suffers from three major limitations. First, in cases like Buffalo, the program can only serve a small number of students. Buffalo Public Schools graduates more than 1,600 students a year (New York State Department of Education, 2010) and as CGS organizers in Buffalo reported, only 120 received FAFSA assistance through the Scholarship Fair. Second, CGS occurs too early in the tax season for many to have completed their forms by the time of the event. Unfortunately, this timing may be difficult to adjust. Many colleges and universities set priority deadlines of March 1 for FAFSA submission because as they must make decisions about the allocation of institutional aid. Third, CGS has a much smaller base of volunteers than VITA programs, which places constraints on the number of students that can be served in a limited timeframe. The CGS model might prove to be a more viable alternative for families who

use the IRS pre-population feature of the FAFSA. Given the timeframe for the approval process, this model becomes a two-step process, which the H&R Block experiment suggests will not increase FAFSA submissions or college enrollment rates. We conclude that the CGS model may be an effective part of a larger strategy, particularly in terms of promoting tax preparation and FAFSA completion, but as a stand-alone program it is only marginally effective and is likely to reach only a modest number of targeted students and families.

The VITA program model starts with VITA services at the center of the strategy. VITA has a longer history, a larger network, and a more systematic training protocol than CGS, but it has not historically had the connections within schools or with the financial aid community. This model is most similar to the 2007 H&R Block Experiment in that completion of the FAFSA begins with the initiative of the family to seek out assistance with their taxes. The free services are more directly targeted to low-income families but that may or may not include parents of students preparing to enter college. Bettinger et al. (2009) found a much larger proportion of students served were non-traditional age and independent of their parents. The NCTC programs (Baltimore and Philadelphia) in our investigation both began with the VITA tax programs and developed partnerships with schools and community-based organizations in order to expand their reach to families of high school graduates. While both provided programs in schools, Baltimore spoke very little about the strength of the relationship with the district or the level of support it received. Philadelphia on the other hand, discussed explicitly, the importance of the school leadership and how it helped make their program successful. We suspect that this may have been a contributing factor to the success experienced in Philadelphia. We conclude that the VITA program model holds the greatest promise for scaling efforts to effectively integrate tax preparation with FAFSA completion. They have access to a larger number of trained volunteers, a greater number of sites, and significantly more opportunities to receive services during tax season. The FAFSA completion numbers are modest at these sites, suggesting there are existing barriers yet to be addressed.

Several important constraints must be considered for each of these efforts. All are powered by volunteers and can only expand their services to the extent that: (1) the programs can recruit and train more volunteers, (2) expand the number of dates, times, and locations that are available, or (3) create a more efficient process. From this perspective, the VITA model has a clear advantage. VITA has a well-established infrastructure and can reach a much larger number of potential low-income families. Training may be a related barrier, but again, VITA has an advantage. It is easier to train certified tax preparers to complete the FAFSA than it is to train financial aid staff to file tax returns. During the first year, the Buffalo model was the least efficient and subsequently the least effective because it relied on two separate groups of volunteers that were not cross-trained. For the few families that completed both forms during the CGS event, the time commitment was substantial.

To reach traditional-aged, college-going students, there must be a mechanism to make these services available to parents of recent high school graduates and that is where the experience of Philadelphia is instructive. They developed partnerships with local school leaders, including counselors, and established relationships in the schools through partnerships with college-access professionals who understand the college-going process. It can be challenging for outside organizations to develop effective partnerships with schools, particularly if there is not an established level of trust and the grant is both proscriptive and time sensitive. The College Bound partnership appeared promising in Baltimore, but the relationships between the CBO and the school district did not appear to translate into a more efficient or effective FAFSA completion project. It is important to develop the partnerships well in advance of the implementation and either include the schools or the district in the planning of the program or develop strong partnerships with those already in the schools.

Implications and Recommendations

While we remain optimistic about the potential of these efforts to link tax preparation with FAFSA completion, we recognize that even among the best models examined above, the impact on local communities is modest. These initiatives are still very much in the formative stages of development, and we believe they can be improved over time. Some of those improvements will require stronger local coordination and others will require action by policymakers to create the conditions for success. Based upon these case studies, we identify recommendations for both practitioners in local communities and policymakers at the federal level. We omit the state level because, while they are critical players in P-16 policy, they are unlikely to play a significant coordinating role in these efforts. The case in Connecticut exemplified the lack of oversight and coordination at the state level.

Capitalize on the IRS/FAFSA Partnership

Each interview discussed the new functionality offered through the IRS that allows for a pre-population of tax data into the FAFSA form, otherwise known as the IRS Data Retrieval Tool. The current strategies that provide tax preparation and FAFSA completion services attempt to service individuals at a single appointment rather than multiple visits. Therefore, the pre-population functionality goes unutilized. A more seamless integration of data would be ideal and would reduce the amount of time it takes to complete both the tax preparation and FAFSA. Under ideal circumstances, the VITA sites could find a seamless technological solution to import the tax data from the electronic program to the Web-based FAFSA. Currently, the 2007 H&R Block Experiment's software has not been made publicly available and the cost for a non-profit to develop it is prohibitive. Unfortunately, the data transfer between the IRS and the U.S. Department of Education does not occur in real-time. This creates a time lag of up to two weeks for the pre-population functionality to work properly. For practitioners, we suggest finding a new approach to following up with families after the tax completion visit. The NCTC grant emphasizes "follow up" as part of the overall program but none of the

communities demonstrated much success following up after initial contact at the VITA sites. Assuming the software used by the VITA sites allows filers to check the box granting permission to the IRS to populate their FAFSA forms, effective follow up could either be done by phone or managed by school-based partners. The current follow-up model assumes that most tax filers will not require a follow-up contact and as such, the expectation is not clearly established with clients filing their taxes. We suggest that if clear expectations for follow up are established at the initial meeting and a time is scheduled, either in person or by phone, successful follow up is possible.

We recommend to federal policymakers, perhaps in collaboration between the IRS and the U.S. Department of Education, to make the H&R Block software solution, or another version, available to VITA sites or other groups working with low-income families. The software solution minimizes the need for additional contacts and increases the chances families will submit the FAFSA. Currently, it is too costly for any single organization to develop this software and as a result, the programs are not able to operate at their peak efficiency. The checkbox on the electronic tax form effectively requires individuals to push their tax information to the IRS and then for the IRS to release the information to the U.S. Department of Education's FAFSA form. The H&R Block software allowed preparers to push the same data into both forms simultaneously (and to collect the other pieces of information for the FAFSA), which streamlines both income-tax and FAFSA filing for both families and service providers.

Develop the Volunteer Base

Both VITA and CGS rely on volunteers, CGS may have reached its capacity to serve prospective students (Institute for Higher Education Policy, 2007). It may be difficult for either program to recruit more volunteers. We do believe, however, that existing volunteers could be used differently in order to maximize their contribution. The most efficient solution pushes FAFSA completion to the tax preparation staff because they have most of the information already at their disposal. In order to do so, tax preparers should be trained in FAFSA completion. We recommend pilot testing the addition of FAFSA completion training to the IRS tax preparation certification training, particularly in communities funded as part of the NCTC grant program.

Second, we should utilize volunteers from higher education and the financial aid community to help students and families understand the cost of college once the FAFSA is completed. None of the models we examined addressed this challenge in a meaningful way. Financial aid counselors understand net cost of college better than anyone. They develop financial aid packages, they understand the nuances of state grant programs and federal aid eligibility, and they work with students as they progress through college to help them understand their loan burdens. Financial aid volunteers are already prepared to serve as experts on college cost, but the current CGS structure is not designed to utilize them in this capacity. We suggest that communities consider alternative partnerships

with their higher education partners. They should consider bringing financial aid counselors in after the forms are completed and/or award letters are received. We are not advocating the elimination of CGS. We believe it is a highly visible program that promotes the importance of FAFSA completion even when modest numbers can be served on the day of the event. Rather, we suggest that the event should remain a part of a larger strategy. The model may include an informational component for families who have already completed the FAFSA and/or are interested in interpretation and guidance regarding their potential financial aid packages.

Provide Better Information about the Actual Cost of College

In an effort to overcome the information asymmetries that negatively affect enrollment decisions at the margins, we must find more comprehensive strategies that can reach a broader audience while maintaining access to free tax preparation tied to FAFSA completion. As Dynarski and Scott-Clayton (2006) remind us, one of the important advantages of filing the FAFSA is to generate more reliable estimates of what college will cost a student or family after their financial need is taken into account. The cost of college is a critical barrier for low-income and first-generation students and the FAFSA is problematic. Nearly 90% of states participate in CGS and an increasing number have identified tax preparation as part of their strategy to increase FAFSA completion rates. However, none of these sites discussed plans for helping students and families understand what their costs will be if they choose to attend college. We contend that this may be the appropriate purpose for any follow up conversations – workshops or individual sessions – after taxes are prepared and the FAFSA is filed. We do not have any evidence to report from these four sites regarding how best to address this challenge, but it is an important reminder to policymakers and practitioners alike that FAFSA completion has the potential to address two barriers to college: (1) paying for the cost of attendance and (2) anticipating what their actual costs will be, given their demonstrated level of need. If students and parents are not better informed about their net cost of college, then many will continue to sort themselves out of the college-going process. The challenge, of course, is that students apply for financial aid after they make the decision to attend (or at least apply). If we hope to use this information to increase participation rates, then we need to develop strategies to educate students and families during the junior year or the fall of their senior year before they decide whether or not to apply. Those strategies might include utilizing the FAFSA Forecaster with data from the prior year's tax returns.

We are encouraged by the progress being made at all levels, but recognize that each new development poses a new set of challenges that must be addressed. The IRS Data Retrieval Tool has made it possible to streamline a substantial portion of the FAFSA form; however, the two-week approval process slows down the completion timeframe and may require launching new follow-up procedures in order for volunteers to effectively reach participants over an extended period of time. The NCTC effort has demonstrated that it is possible to expand the range of services currently provided to low-income families, but that sustainability is a concern given

the current funding structure and uncertainty surrounding continued support.

Many low-income families remain deeply skeptical regarding the release of personal information and specifically financial reporting. This is a potential barrier that was not addressed by the strategies considered in this study. Finally, we suspect that with any new advances in this area, students and parents will still need additional information and support to understand and to make sense of their Student Aid Report or the array of financial aid packages and maze of state-aid programs. For that reason, these educational intervention programs will be necessary for the foreseeable future and it is essential to learn from existing strategies, making every effort to maximize the potential of these efforts for the benefit of families with fewer resources and opportunities.

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