



NASFAA

NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS



COLLEGE FINANCING PLAN MEMBERSHIP SURVEY SUMMARY AND RECOMMENDATIONS

College Financing Plan Survey

In April, 2019, the National Association of Student Financial Aid Administrators (NASFAA) conducted a survey of its member institutions to solicit feedback on the Department of Education's (ED) beta version of the 2019-20 College Financing Plan, the anticipated successor to the existing Financial Aid Shopping Sheet. A 17% response rate was achieved, with 441 of the 2,611 member institutions solicited providing feedback.

Findings

Of all respondents, just over two-thirds indicated that they are current users of the Shopping Sheet. While only 13% of respondents indicated current use of the College Financing Plan (CFP) beta test version or plans to use it for 2019-20, 72% plan to adopt the CFP in the 2020-21 award year when it will fully replace the Shopping Sheet. This 5% anticipated increase in anticipated CFP adopters over current Shopping Sheet users (67% indicated current use of the Shopping Sheet) may indicate that financial aid administrators see the CFP as an improvement over the Shopping Sheet. In fact, one-third of respondents who planned early adoption in 2019-20 of the beta CFP indicated a preference for it over the Shopping Sheet and/or other institutional documents, and 47% of financial aid administrators who planned to adopt the CFP for 2020-21 indicated as a reason either that they liked the changes that were made or that they felt it provided students and/or parents with necessary information. More than half of respondents agreed with the statement that the CFP is, overall, an improvement on the Shopping Sheet, versus 8% who disagreed and 37% who were neutral. Of the respondents not planning to use the CFP in 2020-21, 31% stated as their reason that they do not feel the document presents information in a helpful way.

There was generally strong agreement (72%) with the name change to the "College Financing Plan" as a more accurate representation of the document's purpose. However, responses were mixed as to whether financial aid administrators thought their students would understand the CFP, with 33% agreeing that students would be able to understand, 37% neutral, and 29% disagreeing.

As to specific changes introduced in the CFP, few data elements elicited strong preferences for or against their addition, change, or deletion. Respondents did feel particularly strongly on the addition of the Institutional Methodology (IM) family contribution, with 64% expressing that they found the inclusion of this item not at all useful, and only 25% finding it useful at all (moderately, very, or extremely useful). Eighty-one percent of respondents found both the more prominent display of net cost and the addition of student loan interest rates as at least moderately useful.

Ninety-one percent of respondents indicated that there was some information or feature that would be helpful and is not currently included on the CFP, however, the small number of responses received (17) makes it difficult to discern exactly what they felt was missing. Freeform comments, however, did fall into several recurring themes and included specific recommendations that should inform decisions for how to improve the CFP. Those responses are detailed below.

Survey Themes

In the freeform comment section of the survey, NASFAA collected feedback related to the overall usefulness of the Shopping Sheet and/or CFP, suggested changes to specific terminology, recommendations for data items to add or exclude from the CFP, and some feedback specific to individual schools or school types.

Several respondents questioned the overall utility of the CFP as a disclosure. Responses included concerns about information overload, both on the template itself, as well as from all sources of student disclosures that are intended to help them make better-informed college decisions, and expressing doubt that the Shopping Sheet or the retooled CFP would provide value in the decision-making process. Some pointed to the fact that different tools use different data points, sources, and cohorts. For instance, the College Scorecard provides the prior year's average net price, the College Navigator provides several prior years of the institution's full tuition and fees, and the CFP provides full tuition and fees for the current academic year. Such discrepancies introduce more confusion than clarity, and could do more harm than good if a student is using multiple ED tools to compare colleges.

NASFAA received a number of suggestions on form's title. Several respondents questioned use of the word "financing" in the template's name. Although no two suggestions for alternate titles were the same, similar words appeared throughout the recommendations, including "estimated," "cost," "comparison," "information," "college," and "financial aid." Some respondents requested that more explanatory language be provided, especially with respect to terms like "Cost of Attendance" (COA) and "Expected Family Contribution" (EFC) that are not part of everyday language.

On items that are not on the CFP but should appear there, several respondents noted that families are most interested in how much they will be expected to pay for college. Suggestions included adding billable and non-billable costs to the CFP. This would necessitate a more dynamic template that would permit institutions to classify which charges are billable and non-billable, since this varies by institution and sometimes by student within the same institution.

Recommendations

General

- Permit institutions to customize the CFP beyond just removing subsidized loans and Pell Grants for graduate students. Allow institutions to add or remove items that apply or do not apply to an institution or to an individual student.
 - For instance:
 - Federal loans should not appear on the CFP for institutions that do not participate in those programs, nor should state grants appear for graduate students in states that do not fund graduate study. Blank values or values of N/A only raise questions for students about why they aren't receiving those sources of funding. If an award type does not apply to a student, it should not appear on the CFP at all.
 - If institutions do not offer on-campus housing, they should be able to remove the on-campus COA from the CFP.
 - Institutions that do not use IM to calculate a family contribution should be permitted to remove that field from the CFP.
 - Institutions should be permitted to add data fields specific to their institutions or student populations to the CFP. One commenter noted that a large percentage of students at the institution where she works are parents and have child care included in their COAs. Grouping that expense into "Other education costs" effectively masks a significant portion of those students' net price.

Estimated Family Contribution

- Change the wording from "As calculated by the institution" to "As calculated by the Department of Education" or "As calculated by the Department of Education and/or the institution using a formula prescribed by law." As written, it appears as though the institution has more control over the EFC than is the case.

Total Cost of Attendance 2020-21

- Remove academic year from this section; add academic year instead to the title of the form. All information listed on the CFP is academic year-specific; to display the award year only in reference to the COA is confusing.
- Rename this section "Estimated Cost of Attendance" to reflect that estimated costs are included in the COA and, hence, the total represents an estimate.
- Allow institutions to choose whether to include both the on- and off-campus Cost of Attendance in this section. Listing separate on- and off-campus COAs may be difficult for student information systems to do. While all institutions with campus housing develop separate on- and off-campus COAs, those COAs reside in tables in their student information systems. COA components are assigned to students based on their individual characteristics, including their response to the question about housing plans on the FAFSA. Each student has only one COA assigned to them, and this is what student information systems display on a financial aid notification, Shopping Sheet, or the CFP. Institutions would likely have to pull data from outside of the student record to display an alternate COA, which would require time and technical resources that many institutions may not have.

Grants and Scholarships

- Rename this section "Grants, Scholarships, and Other Gift Aid," since employer-paid tuition benefits are also included in this section, and are neither a grant nor a scholarship. Specify in this section that grants (other than TEACH grants, when service requirements are not met) do not need to be repaid.
- It is not clear where Federal Supplemental Educational Opportunity Grants (FSEOG) and Teacher Education Assistance for College and Higher Education (TEACH) grants would appear on the CFP. The annotation indicates they should be displayed on the "Grants from your School" line, but there is no such line. Assuming this is meant to refer to the "Institutional Grants" line, referring to federal awards as institutional grants does not align with the efforts of NASFAA and several college access groups that seek to have financial aid notifications use standard terminology and definitions. Adding a new line for "Other Federal Grants" would address this concern.

College Costs You Will Be Required to Pay

- Add "Estimated" to the beginning of the title of this section. The existing title is not an accurate description of what appears here, since the net cost is calculated using the COA, which includes estimated expenses.
- Change "Net Costs" to "Net Price," which is the more commonly-used terminology to refer to COA less grant aid.

Work and Loan Options to Pay the Net Costs to You

- Rename this section “Work and Loan Options.” The current language is awkward and unclear.

o Work Options

- Remove the “Work-Study Hours Per Week” line, or change to “Estimated Work-Study Hours Per Week” so it is clear this is not the exact number of hours every student would need to work to earn the total amount of work-study awarded. Because work-study wage rates vary by position, institutions will not be able to display an accurate number here.
- Eliminate the “Other Campus Job” field entirely. The “Work-Study” field includes “federal, state, or institutional” as sources in parentheses. It is not likely that a private job would be on campus, and if one were, it is unlikely that institutions could accurately estimate the amount a student might earn from those jobs.

o Loan Options

- Add Graduate PLUS to this section. Aside from the separate debate about whether institutions should package Graduate PLUS loans initially, revisions to financial aid packages would still need to include Graduate PLUS if the student had borrowed one.
- Remove private loan interest rate. Institutions are unlikely to know at the time they issue the CFP, or possibly ever, the interest rate on an individual student’s private loan. Replace the interest rate with language such as “interest rates vary by lender.”
- Add student loan fee information. While interest rates may be of use to students in deciding whether to borrow, the amount of fees charged is far more relevant on this disclosure since it impacts the student’s ultimate out-of-pocket costs. For private loans, instead of an interest rate, there should be a parenthetical notation that fees vary by lender.
- Remove “Other Aid That Must Be Repaid” line, or replace it with “State Loan.” Federal, private, and institutional loans are already included here; there is no other source of aid that must be repaid other than a state loan.
- The inclusion of Parent PLUS and private loans (if the parent is the borrower) in this section appears to conflict with ED’s April 15, 2019 “What Postsecondary Institutions Should Work to Avoid When Issuing Financial Aid Offers” Electronic Announcement. Institutions that adopt ED’s CFP expect that it is compliant with all laws, regulations, and guidance. Including information on the CFP that conflicts with ED guidance places institutions in a difficult position. We recommend that the Parent PLUS remain under the “Loan Options” heading. The heading does not indicate this section is limited to student loans, and the loan’s name clearly designates that it is a parent loan. However, ED should correct or clarify the April 15 guidance so it is clear that the CFP is in compliance.
- If the sidebar language from the annotated CFP is to be displayed to students, remove “School recommended” from the sidebar to the left of the Loan Options section. Several survey respondents expressed concern that any implication of a recommendation from the school would prompt students to borrow.

Other Potential Education Benefits

- Remove the “Other Potential Education Benefits” section. While it is helpful for students to know that benefits exist for paying for college beyond the financial aid package, it does not fit with the rest of the sections where the information provided is student-specific. If this section is retained, institutional payment plans should be added back to this section, as they were on the Shopping Sheet.

For More Information and Next Steps

- Add a line for the institution’s financial aid office web address or student portal address where students can go to learn more about institutional processes for accepting their aid and receiving disbursements.

Conclusions

In conclusion, overall survey results indicate that financial aid administrators find the CFP to be an improvement over the Financial Aid Shopping Sheet. However, responses also point out the challenges of creating a one-size-fits-all template. While 9 of ten respondents felt the CFP was missing some piece of information and 35% of those planning to use the CFP planned to provide supplemental information, many respondents conversely felt that there was too much information on the CFP, which would make understanding the financial aid package more difficult for students. There are simply too many institution-specific variables that go into the financial aid notification, such as availability of campus housing and the use of certain COA components, that make it impossible to standardize every data element in a template. It is our hope that the recommendations made here, including suggestions for more institutional flexibility within the template, provide useful feedback for improvements to the CFP that will lead its to broader adoption.

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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

1801 PENNSYLVANIA AVENUE, NW, SUITE 850

WASHINGTON, DC 20006-3606

202.785.0453 | fax 202.785.1487 | WWW.NASFAA.ORG