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Implementation of Early FAFSA[®] and Prior-Prior Year: Recent Experiences of Four Institutions

Introduction

Major changes to the Free Application for Federal Student Aid (FAFSA) for 2017–18 are significantly changing the financial aid application and awarding process. These changes, known as “Early FAFSA” and “Prior-Prior Year” (PPY), are intended to provide students and families with more time to consider college admissions and financial aid decisions, all while streamlining the financial aid application process. They will also impact the operations of financial aid departments and other offices on campuses around the country.

In September 2015, the Obama administration announced that the 2017–18 FAFSA would become available beginning October 1, 2016, a significant move from previous years when the FAFSA was not available until January 1.

In addition to making the FAFSA available earlier, students and families will now use income tax information from two years ago (prior-prior year) rather than estimates from the previous year (prior year). PPY tax information represents the actual data from the tax filing that was submitted to the Internal Revenue Service (IRS) two years prior. For the 2017–18 academic year, that means using numbers from students’ and parents’ 2015 income tax filings, rather than estimates of 2016 tax return data that would later need to be corrected. With the October date, students and families are now able to apply for financial aid after they file their taxes, using accurate information obtained directly from the IRS.

Further, now more students and families are able to access verified tax data through the IRS Data Retrieval Tool (DRT), which can be used to import data easily and more accurately into the FAFSA. Previously, because it was only available to FAFSA applicants who had already filed their taxes,¹ very few families were able to use the DRT because their taxes were not yet completed when the FAFSA became available on January 1. For the 2017–18 year, almost all families will have completed their 2015 tax returns by October 1, 2016, allowing them to take advantage of the DRT.²

Potential Benefits

There are many anticipated advantages of the shift to Early FAFSA and PPY for both students and families, including:

- Better alignment with traditional college admissions cycles. Many college application deadlines are in the fall, so now prospective students will be able to complete their FAFSAs around the same time as they are applying to various institutions.³

¹ White House Press Office 2015.

² Gewertz 2016.

³ Scholarship America 2016; Barnds 2015.

- Availability of accurate income tax information reduces need for subsequent updates and corrections once tax returns are filed.
- The potential for earlier financial aid award notices.⁴ Earlier estimates of Expected Family Contribution (EFC) may be particularly important for students from disadvantaged backgrounds who will now have more time to assess whether they can afford to attend a particular school.⁵

There are also potential benefits for colleges and universities:

- The earlier aid-processing schedule may give financial aid administrators more time and resources for individual counseling and preparation of student files.⁶ Applications from returning students will be more spread out, theoretically allowing more flexibility in managing both current and new students' financial aid needs.⁷
- Enabling more applicants to import tax information through the DRT may reduce documentation requirements and administrative burden; financial aid administrators would presumably spend less time verifying tax return information for students who use the DRT because that income information is now coming directly from the IRS. Where other documentation is necessary, schools and students have a longer period of time to complete the process.⁸

Potential Challenges

As with any major public policy change, there may be challenges in implementation of Early FAFSA and PPY, especially during the transition period. In particular, it is still unclear to what extent Early FAFSA and PPY will impact certain aspects of the work of financial aid administrators.⁹ For example:

- Using income from two years prior may not account for job loss, medical issues, changes in marital status, and other factors that lead to changes in income, so financial aid offices may see more appeals from students, more reviews of special circumstances, and the potential for increasing requests for professional judgment.
- The financial aid office's ability to process aid packages earlier is dependent on some factors that are beyond their control. For example, current federal timelines for Pell Grant award charts and campus-based aid funding levels are dependent on congressional appropriations decisions and may not always align with institutional timelines.¹⁰ However, it is worth noting that this year the Department of Education was able to release Pell schedules earlier, but without congressional action to codify this adjustment, future release is not guaranteed. In addition, state grant program deadlines, institutional scholarship budgets, and the setting of tuition, fees, and other costs need to be factored into financial aid awards but may not be available when the financial aid office is ready to package aid.¹¹

⁴ Berkes 2016; Mitchell 2016.

⁵ Kutcher 2016.

⁶ College Board Communications 2015.

⁷ Gewertz 2016.

⁸ Feldman, Draeger, and Mann 2016.

⁹ NASFAA 2015.

¹⁰ Berkes 2016; Hexter 2015.

¹¹ Gewertz 2016; NASFAA 2016.

- During the initial year of transition, the use of 2015 tax information for two separate award years may lead to cross-year conflicting information that will need to be resolved. In an effort to reduce this burden, the Department of Education will conduct an initial, centralized review to determine whether there are conflicts between 2016–17 and 2017–18 applications that might have a significant impact on a student’s EFC for 2017–18, and will flag them for resolution by the school.¹²

The changes also have impacts beyond the financial aid office:

- The implementation of Early FAFSA and PPY may affect admissions office timelines and workload, as well as other offices involved with student outreach and counseling.¹³ Communications to students, families, and high schools may need to be revamped.
- Information management systems often need to be tweaked so that they can account for new timelines and changes in policies. In addition, the schedule of software releases that allow financial aid offices to manage student files needs to change, which can require extensive collaboration with vendors.¹⁴
- According to some surveys, many colleges now plan to deliver financial aid award notices earlier than in previous years.¹⁵ However, with earlier awards institutions must balance the need to stay competitive with ensuring they don’t negatively impact disadvantaged students.¹⁶

Implementation Questions for Consideration

Ultimately, all colleges and universities will need to make decisions as a result of the implementation of Early FAFSA and PPY. There are a number of questions that should be considered, including the following:¹⁷

- Should the institution issue award letters earlier?
- Will there be changes in deadlines for priority aid filing or admissions applications?
- Will there need to be changes to the timeline for outreach materials sent to high school counselors and students?
- Does the timing of setting the academic calendar, tuition and other costs, and institutional aid budgets need to change?
- How will these changes affect state grants and other state deadlines?
- Do student information systems or other technologies need to be adjusted?

This white paper provides examples of how some institutions are addressing the implementation of Early FAFSA and PPY, taking into account many of these questions. The following sections describe four institutional case studies using interviews with financial aid administrators that focused on the various ways they are addressing the changes.¹⁸ Although these institutions differ in their contexts and approaches, there are

¹² Berkes 2016; NASFAA Policy & Federal Relations Staff 2016.

¹³ Hexter 2015.

¹⁴ Logue 2015.

¹⁵ Bidwell 2016.

¹⁶ Gewertz 2016.

¹⁷ Feldman, Draeger, and Mann 2016.

¹⁸ The real names of the institutions are not included in this paper; however, if you would like to be put in contact with one of the case study schools, please contact policy@nasfaa.org.

commonalities that may inform future discussion and institutional decision-making. Therefore, the narrative also highlights some overall themes and considerations that can be explored throughout this transition and beyond.

Many institutions did not make any changes during this first year, opting to take a “wait and see” approach. It is NASFAA’s hope that as schools navigate these changes, the case studies will assist schools in making future implementation decisions related to the Early FAFSA and PPY.

Profile: Liberal Arts College

Background

Located in the northeast, Liberal Arts College (LAC) is a private non-profit, Catholic liberal arts college that serves just over 2,500 students with an endowment of nearly \$2 million¹⁹. The college is selective and uses multiple admission types to attract new students: Early Decision, in which applicants receive admission and financial aid decisions in December and must commit to the college if accepted and sufficiently funded; Early Action, in which applicants receive admission decisions in January but retain the May 1 commitment deadline; and Regular Decision. For first-year applicants, admissions deadlines are November 1 for Early Action, December 1 for Early Decision, and January 15 for Regular Decision.

Given this cycle of admissions decisions, early information has been essential in providing notification of aid packages to students and families. The college is one of the almost 400 institutions that use the College Scholarship Service’s Profile (“Profile”), which has historically provided information from financial aid applicants earlier than the FAFSA; data from the Profile allowed initial estimates for financial aid awards. For example, Early Decision students generally received notification of their financial awards at the same time as notification of their admission in December (before the FAFSA was available). Students who applied Early Action and Regular Decision generally received award letters 2 to 3 weeks after notification of admission.

Treatment of Priority Deadlines

The implementation of Early FAFSA means that federal aid applications are now coming in around the same time as the Profile. With the FAFSA coming earlier in the process, the college is changing its priority financial aid filing dates to better align with the admissions cycle. For first-year applicants, the priority filing dates for both the Profile and the FAFSA are now the same as admissions deadlines. This moves the recommended priority dates up for financial aid significantly for both Early Action (from late January to November 1) and Regular Decision (from mid-March to January 15). This change should make it easier for freshman applicants to remember the dates and get things completed, as well as to think in terms of the admissions and financial aid process as a whole.

Traditionally, LAC has used financial aid priority filing dates for new students, not deadlines. If students file after the priority date, they will still package financial aid without negative consequences. The college is now advertising that it will issue award packages within three weeks of the acceptance notification, although the office hopes to do it in one to two weeks after notification. Given the changes in filing dates, this means

¹⁹ IPEDS Data Center (<https://nces.ed.gov/ipeds/datacenter/Default.aspx>)

awards for most first-year students—Early Action and Regular Decision—will be substantially earlier than they were in past years. For Early Action, admission notification will come in late December, with financial aid notification now in late January instead of February; Regular Admission students will receive financial aid notifications in mid-March instead of April. In the case of Early Decision there is no change, as award notifications are sent along with acceptance notifications (in late December). Ultimately, the financial aid office’s goal is to send award notification for all students along with admission notification, although this may not happen for a few years.

Returning students have different deadlines—LAC previously had suggested that students file their FAFSAs by March 1, but now asks students to file between October 1 and February 1. Although financial aid will still be packaged in May after reviewing grades and Satisfactory Academic Progress (SAP), LAC hopes the longer period will encourage students to complete their FAFSAs in earlier, which will allow a more manageable workflow in the financial aid office.

Planning and Cross-Campus Collaboration

Implementing these changes required high-level collaboration with upper management. More than a year ago, the financial aid director and the dean of admissions had conversations about the possibilities that Early FAFSA would provide for new student applicants, and then brought the issue to their respective vice presidents. Together, they requested a meeting with the president of the college to discuss the various issues involved. The decision was made to commit to using PPY for both federal and institutional aid, given the Obama administration’s desire to have a list of schools that would use PPY for their institutional funding. In addition, there was some concern about making sure students who filed after the earlier priority date would not be disadvantaged, but the college will maintain its practice of packaging aid for students who apply after the priority date without negative consequences. While admissions and other offices were involved, the nuts and bolts of implementing the changes have been the responsibility of the financial aid office.

Implementation Challenges

During this transition period, the financial aid office has faced a number of challenges with implementation of Early FAFSA, including the need for earlier software upgrades, the validity of predictive modeling, and staff workload issues.

- One of their biggest concerns for the implementation period was the timeliness of software upgrades. However, their vendor, Banner, informed them that it would move up the timeline for upgrades from mid November to early October to accommodate Early FAFSA.
- The college has used a third-party vendor to help with financial aid and admission predictive modeling over many years. However, there are some concerns that Early FAFSA might alter family behavior and change their ability to predict basic patterns of student enrollment yield. In part, this is because it is not yet clear what other institutions will do in terms of setting filing dates or awarding financial aid—families may receive proposed financial aid packages from different schools at very different times, from November to March. For example, if the college sends packages out early, it is not known whether families will be more likely to commit because they have the aid package in hand, or wait for other schools to see what they receive. Therefore, predictive models may not be valid for the first few years of

implementation, depending on whether or when other institutions decide to make changes to financial aid filing and awarding dates.

- For financial aid staff, Early FAFSA is changing the timeline for some of their work. This is reflected in the changing priority filing dates for new students, but perhaps even more so for returning students—they can start preparation earlier to spread file review and packaging over a longer period of time. Even though they will still package returning students in May, for example, they expect that the files will be ready for packaging well before that time or at the very least close to completion. The longer time frame will enable them to fill in some of slower periods by shifting focus back and forth between freshman applicants and returning students.
- Using two-year-old income leaves more time for things to change (job loss, divorce, medical issues, and so on). An increase in professional judgment requests could be challenging given that the financial aid office has relatively low staffing levels. The office has not yet decided on how it will handle a big increase in special circumstances.

Addressing the Challenges

The financial aid office has tried a number of policy changes to address some of these concerns. For example, starting this year, they highly encouraged use of the IRS DRT. Anticipating the need to resolve discrepancies, they believe that use of the DRT will help them mitigate potential burden by insuring the most accurate numbers. If the DRT is used for both 2016–17 and 2017–18 it would lessen the extent of conflicting information that would need to be resolved. Most of the college’s students and families have been responsive about going back and using the DRT upon request, and this also made families aware of the benefits of the DRT. The college hopes that this will decrease staff burden during the transition period.

In addition, the college is revamping its outreach materials in coordination with the admissions office. For new students, they have changed both web and written marketing materials to reflect the new dates so that students and families are aware of expectations. They have also included the Early FAFSA and PPY changes in their Financial Aid Night presentations that are done both on and off campus for prospective students as well as high school seniors not considering the college. In addition, the financial aid office has always followed up with students and families via email to make sure they get financial aid forms and documentation in on time, and they will be starting that process earlier. In the case of returning students, the outreach plan is to start notifying current students in November.

Advice to Other Schools

According to the financial aid office, moving up FAFSA filing dates may not be detrimental given that income information is readily available through the IRS data match, but schools should ensure there are no negative consequences for students who file later. Typically these students are low-income, first-generation whose families are unfamiliar with the college application process, and their high schools often do not have sufficient staff to shepherd them through the process. At least in the beginning of PPY and Early FAFSA, it is important to be flexible as outreach programs change their timelines and processes to reach out to these students much earlier in the process than they now do.

Common Theme: Changes in Filing Dates and Packaging

As a result of Early FAFSA, institutions have had to make decisions about whether they should change their priority aid filing dates, as well as whether—and how—to get aid packages out earlier than they did in past years. A primary goal of Early FAFSA and PPY is to provide financial aid information to families earlier so that they can make informed decisions about admission and financial aid. However, it is not always easy for financial aid offices to change their timelines for processing aid, and there are many factors to take into account when making decisions for this first transition year. Two of the institutions interviewed decided to move their priority filing dates up this year, while the others have not. All of the interviewees noted that they would be getting out award packages earlier than in previous years, to greater or lesser extents. Two institutions are moving up the timeline for packaging new students considerably—they will be using estimated award notifications starting in late fall, and finalizing the award packages in January and February.

Common Theme: Collaboration and Planning

Interviewees also mentioned the importance of early planning and partnership-building in preparation for Early FAFSA and PPY, especially to get key stakeholders on board early in order to prepare for any changes that need to occur. Financial aid staff often worked closely with admissions, enrollment management, communications and outreach, and any other office that might be impacted by the changes, as well as software vendors and other external partners. In addition, they found ways to make upper management aware of potential impacts. This process happened in a variety of ways—some institutions used formal structures such as committees that meet regularly, while others had direct conversations with staff in other offices, and several also had widespread communication blasts that went out to all campus stakeholders.

Profile: Northwest Private University

Background

Northwest Private University (NPU) is a private, four-year university located on the West Coast, with a population of almost 4,000 students and an endowment of \$140 million²⁰. Although the financial aid office was not expecting Early FAFSA, they hope the earlier timeline will be less stressful and more flexible for both students and staff, allowing more outreach and additional time for document collection.

Treatment of Priority Deadlines

The financial aid office sets a priority filing date but there is no hard cutoff for aid—students who file after that date are still eligible for all of the aid for which they would have been eligible, although their award might be delayed slightly in processing. As a result of Early FAFSA, they have decided to move the priority date from March 1 to January 15, again with the caveat that students who file after that date will not have a change in their aid eligibility.

Other aspects of the financial aid process are now becoming aligned with the new date. For example, the financial aid office recognized that they needed to have upgrades from their software vendor three months earlier than usual, and when they contacted the company they were encouraged by the fact that it had already been working to shorten the timeline; software upgrades occurred in September and the office was ready to go by October 1.

Planning and Cross-Campus Collaboration

The director of financial aid meets regularly with the chief financial officer (CFO) and an enrollment management group that includes the dean of admissions and other key members of the campus community; she was able to bring PPY and Early FAFSA to their attention at these meetings and to stress the importance of setting tuition early so that financial aid packages would not have to be revised. The CFO then brought the issue to the board of regents, which shifted discussion of tuition and other budget decisions to the September board meeting rather than in January.

In addition, when the financial aid office first found out about the upcoming changes, they began conversations with the admissions office. Although the admissions timeline has not changed much, the office has adjusted its communication plan to reflect the new financial aid dates and to revise the timeline of mailings to students. Instead of using a series of mailings, they will now send out one mailing when applicants are admitted and the financial aid award notification will follow shortly afterward. Financial aid staff also worked closely with the marketing department and mail center to move the timelines up because materials needed to be developed and mailed earlier than they ever had in the past.

The financial aid office is also revamping its communications and outreach strategy. In coordination with efforts by admissions to reach new students, the financial aid office provides materials to local schools that describe the financial aid timeline; they already have some high school visits scheduled for in-person

²⁰ IPEDS Data Center (<https://nces.ed.gov/ipeds/datacenter/Default.aspx>)

presentations. They also bring students and families to campus for a Financial Aid Night in October. Continuing students also have a Financial Aid Night on campus, and flashy postcards and emails have been sent to their home addresses to make them aware of the changes in dates—noting that the FAFSA is available earlier and that they should use their 2015 tax information.

Packaging Timeline Changes

In tandem with the move in priority filing date, the financial aid office plans to issue estimated award notifications to new students in the fall. In the past, the entire freshman class would have been admitted before they even started the packaging process, and thousands of packages would be sent within a few weeks in February. This year, they anticipate getting the first award notifications out in the first week of November, with state and federal aid estimated since not all of that information will be available yet. Final packages will be sent out once final aid figures are available.

They expect that the new packaging timeline will have an impact on staff workload, with the process now more spread out over several months. That should allow the financial aid office to provide more one-on-one counseling and outreach to students and families, enabling direct conversations with everyone who asks while at the same time taking some of the pressure off the counseling staff. On the other hand, the plan to revise aid packages means reprocessing files and sending out revised award letters, which could create some additional work.

For returning students, the aid packaging timeline hasn't changed. Students will be able to complete the FAFSA in October and the financial aid office will encourage them to do so, but they won't begin packaging them until late March or early April when students are registered for the next academic year. However, they will be able to notify students earlier if they are selected for verification so they will have more time to collect documentation.

Implementation Challenges

The financial aid office has noted a number of issues that have been raised by the implementation of Early FAFSA and PPY, and have taken steps to mitigate some of those challenges. In particular:

- The issue of estimated awards leads to some uncertainties, including the need to explain changes between estimated and final award notifications to families. The financial aid office is mindful of the need to use the word “preliminary” carefully in their estimated award letters. Since they leverage institutional aid against federal and state aid, changes to federal and state aid could potentially change a student's institutional aid eligibility. They are hopeful that any changes they need to make will be minor and will affect only a small population of students.
- At this point, they do not know if increases in conflicting information will have an impact, but they have systems in place to catch such conflicts—the Department of Education has given notice about what comment codes and flags will be used as well as the information the school will be required to resolve. To try to assess what the impact might be, they reached out to their current student population—in particular, students who were eligible to use the DRT but did not—and asked them to use the DRT for the 2016–17 year.

- Historically, the financial aid office selected all need-based institutional aid recipients for verification, so they verified many more applications than were selected by the Department of Education. The fact that these applications have already been verified should simplify resolution of conflicting information during the transition year. Further, there has been an institutional policy change for the upcoming year: if incoming students have used the DRT on their 2017–18 FAFSA, the financial aid office won't select them for institutional verification.
- The financial aid office has used a limited number of categories for which they consider special circumstances, and they are not sure if the change to PPY will have an impact. Recently, they updated their professional judgment policy to account for PPY, guided by the desire to make it equitable for all families while at the same time making it manageable for the financial aid office.
- Another question revolves around consumer behavior. Benchmarking is going to be difficult this year because they do not know if students and families will file applications earlier, or make decisions about aid packages earlier, than in previous years. Other schools may also be issuing awards earlier—in fact, they believe most of the private institutions in their area will move to earlier awards—but if there are major differences in timelines with public institutions it is possible that students will wait until they have all award letters before making a decision.

Advice to Other Schools

The financial aid office plans to collect data on the number of verifications, special circumstances appeals processed, student deposit behaviors—such as when they confirmed and how long it took—and other factors to better assess what happens in the first year of Early FAFSA and PPY. At this point, they hope that federal and state changes occur that would allow them to receive numbers in time to have 100 percent accurate aid packages at the beginning, rather than using estimates and then revising packages. Beyond that, they recommend that institutions that are changing timelines should have a preplanning conversation on campus as early as possible—have in-person meetings with every stakeholder on campus, including admissions, marketing, the mail center, the CFO, and anyone else that could potentially be affected by the change in timelines.

Common Theme: Changing Institutional Policies and Practices

Implementation of Early FAFSA and PPY will bring both opportunities and challenges for the daily operations of financial aid administrators. Interviewees anticipate a number of challenges will arise, such as (in the implementation year only) increases in conflicting information due to the same (2015) income and tax data being used for consecutive FAFSAs, increases in professional judgments given the longer period of time during which changes in income might occur, and changing patterns of verification that could offset additional workload—all of which have a potential impact on financial aid staff. At this point, most of the interviewees are not sure about the extent of these issues, but are moving ahead to try to address the potential challenges through a number of policies and practices. One key approach has been to use electronic and technological resources to streamline and support document collection and put a system of checks and balances in place in order to relieve staff burden while at the same time building a more efficient system. In addition, institutions are encouraging students and families to use the Internal Revenue Service’s Data Retrieval Tool (DRT), and some have modified their professional judgment policies to better account for special circumstances and changed policies on the students selected for verification.

Common Theme: Negotiating External Factors

There are some factors affecting implementation of Early FAFSA and PPY that may not be within the financial aid office’s control, and may require external changes. For example, decisions on tuition-setting, fees, and housing expenses that go into calculations of cost of attendance often are set by state agencies, trustees, governing boards, or other bodies, requiring extended conversations to see if the timeline for decision-making can be moved. Decisions (or non-decisions) by state agencies to change deadlines for state grant programs can affect institutional aid deadlines and funding, and create confusion for students and families. Also, the timing of other aid, such as institutional merit aid awards or federal Pell Grant charts, may require repackaging of awards when information is finalized. Institutions hoping to provide early notification of financial aid awards to students and families likely are faced with repackaging of final awards in January and February. In addition, institutions may not have control over when software vendors schedule their updates.

Common Theme: Communication and Outreach

All of the interviewees stressed the importance of communication and outreach. They use a variety of communication methods, from in-person efforts such as Financial Aid Nights and visits to high schools, to the use of written and electronic media such as postcards, flyers, emails, and social media campaigns. Financial aid offices have updated materials to reflect the new dates as well as the use of PPY. All of the institutions noted that they differentiate in their communications with prospective and current students. For new students, the admissions office is generally very involved in outreach efforts, providing updated materials to high school students and guidance counselors. For current students, the message is focused on the changes in dates and income year, as well as encouraging students to apply earlier so that they have a longer period of time to submit required documentation. In all of these efforts, financial aid administrators are looking carefully at the language they are using to communicate with students, while at the same time not overwhelming them with information.

Profile: Multi-Campus Community College

Background

Multi-Campus Community College (MCCC), located in Texas, operates several campuses in the region and serves about 30,000 students and has an endowment of less than \$1 million²¹. Students at MCCC are primarily non-traditional in age and almost all are working while enrolled. The student population can be called “fluid,” with many students stopping in and out of enrollment due to financial and family reasons. The college has strong ties with the neighboring community and partners with a nearby four-year public university as well.

Treatment of Priority Deadlines

Many students tend to apply to MCCC right before the fall semester starts; they expect their financial aid right away, and are unfamiliar with the financial aid process. The fact that students start the process so late presents a challenge for the financial aid office. One of their major hopes with the advent of Early FAFSA is that they can use the momentum to encourage students to apply for financial aid earlier, with benefits for both students and the college.

The college has a small number of institutional scholarships, but a large proportion of students (80 percent)²² receive federal Pell Grants and there is a large state grant program, the Texas Educational Opportunity Grant (TEOG) Program. For this state and federal aid, March 15 is the institution’s priority aid filing date and they

²¹ IPEDS Data Center (<https://nces.ed.gov/ipeds/datacenter/Default.aspx>)

²² Data from College Navigator.

don't expect there will be a change in this policy. Students who apply before that date are considered for state grants and federal and state work-study opportunities; after that date students will be considered for the aid but, aside from the Pell Grant, it is not guaranteed. The financial aid office does not initially package student loans; if a student asks, they generally go through an in-person loan counseling process, and less than 10 percent of the student body obtains student loans.

Communication and Outreach

For MCCC, and for many community colleges, implementation of Early FAFSA is all about raising awareness—spreading the word about the priority filing date and getting students to apply earlier. In general, the college is very active with outreach efforts. For example, they are heavily involved in helping students and families fill out the FAFSA; the college is a founding partner in the region's FAFSA Night Committee, which also includes the local four-year university, the Chamber of Commerce, and school district counselor coordinators. The financial aid office also helps conduct FAFSA Nights at over 50 high school campuses, which will now be starting in early October instead of January.

In addition, each year they travel to local high schools to provide financial aid information and help foster a college-going culture. Many of these high schools have "Go Centers" that are dedicated to improving early college awareness and preparing students for college.²³ The college, along with its local university, also provides high school counselor training for seven school districts, guiding them through the financial aid process and making them aware of important dates and procedures. As a result of all of these efforts, the region leads Texas in FAFSA completion.

For current students, there has also been a lot of communication about the earlier availability of the FAFSA for the 2017–18 academic year. Over the summer, they started announcing the new dates at student orientation, where they reached 3,000 students, and also provided the information to students at loan entrance counseling sessions. To make students aware of the date and encourage them to file early, they have communicated through the school newspaper, social media, mass emails and phone calls to financial aid applicants, and flyers posted around campus. Nonetheless, it will be particularly hard to change the mindset of continuing students, who are accustomed to the previous schedule. Even when the FAFSA date was in January, many students still waited until May or later to file for aid. The financial aid office sent out emails and other communications to students about the priority date, and those efforts will continue.

Within the college, the earlier availability of the FAFSA was discussed at any opportunity where administrators met; in their case, it helped that the college's president is very familiar with financial aid. The financial aid office also conducted a "blitz" of communication with the president's office, registrar, student services, and enrollment management task force to make them aware of the change. However, since the financial aid office has not made any changes to the priority filing date, they have not needed to work closely with other offices on campus beyond informing them of the change.

²³ The Go Centers, an initiative of the Texas Higher Education Coordinating Board, are points of coordination between students, P-12 counselors, and institutions of higher education, and help students connect to postsecondary institutions, keep track of testing and other deadlines, and ensure requirements are met for college entrance.

Implementation Challenges

In general, the financial aid office does not have any major concerns about implementation of Early FAFSA and PPY. It is essential for software to be updated in time and for systems to be up and functioning smoothly, but they believe this is happening in a timely way. Although it might be trickier for students to use the correct tax year's information under PPY—especially since many students wait until the last minute to apply—they don't believe at this point that there will be an overwhelming number of conflicting data due to the two award years using the same tax year information. Nonetheless, staff is “highly encouraging” students to use the IRS DRT to make the financial aid application process easier and are telling new students through orientation and other forms of communication, as well as reminding continuing students about the tool.

They do anticipate some changes in workload in the financial aid office as a result of Early FAFSA and PPY. The period from October through December has historically been very quiet, but if systems are up earlier and students start applying earlier, there might be more activity on campus as students provide documentation, with potential implications for staff work schedules. The shift in timeline would mean the work would be more spread out over the October to March period, as opposed to downloading huge batches of FAFSA data in January and February. They are hoping to package awards a little earlier than in previous years, especially if they are able to get information from students earlier, but at this point it is not known to what extent.

They plan to start looking at data on when students are filing applications, any increases in professional judgments, verification, use of the DRT, and other factors during the transition period. However, the general feeling is that any issues that occur during the transition period will likely get worked out for the longer term.

Advice to Other Schools

The financial aid office suggests that any way to make the process easier for students would have major benefits. Guidance from software companies and the Department of Education is important in this regard, especially in this transition period. But the primary approach for MCCC is communication—to make everyone from the students to trustees aware of the changes, and the opportunities and challenges that may come with it.

Colleges can and should use any opportunity to provide the information, from outreach activities to campaigns on campus. Many of these activities, such as FAFSA Nights, will need to start earlier than they did in previous years. In addition, it might be easier to provide information about the new dates to new students than to continuing students who are used to a later application filing date. Other community colleges should ensure that communication is being conducted at all levels of administration, including the academic side of the house. It is important to ask colleagues what they are doing, and take advantage of the NASFAA PPY/Early FAFSA Toolkit²⁴ resources, as well as all those being offered by the Department of Education's Office of Federal Student Aid.

²⁴ Available at http://www.nasfaa.org/ppy_toolkit.

Common Theme: Workload Considerations

The perception of changing workload within financial aid offices was a theme raised by all of the interviewees. All of the above factors may impact the work of financial aid administrators positively or negatively, and it's not yet clear what the overall effect will be on workload. On the one hand, the potential for increases in conflicting information and professional judgment might add significant new burdens on staff time and resources. On the other hand, the earlier availability of FAFSA should allow financial aid staff to spread out their work over a longer amount of time, or shift to different periods of busy and down time. This may mean more time for preparing student files, collecting documentation, and working directly with students and families. Staffing is generally tight for all of the institutions, but some believe they can handle the operational changes using non-staff resources or by shifting resources when necessary. Several noted that the issue is likely to be a problem primarily for the transition year.

Common Theme: Assessment for Future Decisions

The phrase “we’ll have to wait and see” came up in all of the interviews. There are a lot of unanswered questions about the implementation of Early FAFSA and PPY, and financial aid administrators are not sure what to expect. Most of those interviewed are closely monitoring key data points so they will have more information about the impact of the changes on institutional practices as well as students and family behavior. They have plans in place to determine differences that occur during the first year of implementation compared to previous years. However, the lack of historical data presents an issue for predictive modeling and benchmarking, and the validity of such models may not be known during the first few years of implementation, as more institutions decide to change (or not change) the timelines of priority filing dates and packaging and other institutional policies. Many of the institutions interviewed already collect—or plan to collect—key data points that will help them make decisions in the next year and beyond.

Profile: Midwest Flagship University

Background

Midwest Flagship University (MFU) is a public research university located in the Midwest that serves more than 30,000 students and is the flagship campus of its state's university system, with an endowment of just over \$800 million²⁵. After the announcement of PPY and Early FAFSA, the financial aid office hit the ground running. Biweekly meetings of key financial aid administrators and the assistant director of technology were initiated to discuss implementation. This core committee spent significant time thinking about the purpose of what they do, informed by participation in several gatherings on Early FAFSA implementation that discussed the need to allow families to have more time to make informed decisions; this concept was used as a guide as they began their own implementation.

Treatment of Priority Deadlines

For institutional aid, such as their need-based grant, MFU has a priority deadline of March 1, up to which students are guaranteed to get the aid they are eligible for; the grant will meet a specific percentage of financial need if a student meets the priority deadline as well as the award criteria. After the priority date, remaining funds may be awarded on an as-available basis. Through the core committee discussions, they decided to keep their priority aid deadline the same, so as not to unintentionally disadvantage students who do not apply early; typically, they have found that many low-income and first-generation students complete their FAFSAs later than other students.

Meanwhile, however, the state announced a new priority aid deadline of February 1, a move up from April 1.²⁶ The state's decision complicates MFU's decision to maintain its date. Previously, the institutional priority date was earlier than the state aid deadline—if students aimed for the institutional deadline they should be able to meet the state deadline as well. Now, the state priority date is a month *before* the institutional priority date, and there is some concern that students will focus on the institutional date and not realize that the state date has shifted earlier, especially returning students. Over the next year, they will be thinking about whether to move the priority date up to match the state date; in particular, they plan to review trends in applications this year, especially during that one-month difference period.

Earlier Packaging Timeline

Although the financial aid office is not changing the institutional priority aid date, it does hope to issue awards earlier. Historically, for first-time students, FAFSAs were loaded in February followed by emails to families about verification and any other documents needed to complete their applications, with the goal of sending out aid packages by March 15. Now, the process will be pushed back to start in November, with messages about missing documents and other items needed to complete the file in early December. Estimated award notifications will be emailed to incoming freshmen so that they can have more time to review over the winter break. Given that award amounts may change due to verification or aid received after the initial packaging, they anticipate mass repackaging of awards and revised estimated award notices will be sent on January 15 and February 15, with final award packages accounting for any changes sent around March 15. This plan of

²⁵ IPEDS Data Center (<https://nces.ed.gov/ipeds/datacenter/Default.aspx>)

²⁶ The state program will still award funds, as available, through April 1.

estimated award notifications and revised award notices depends on students and families understanding what is meant by “estimated” and “preliminary;” it will be important to use specific language to accompany the estimated and revised notices, and MFU has been consumer-testing their communication materials with current students.

The timeline for returning students is not changing—they have generally made awards in June after SAP evaluation and that will continue. However, they have started to evaluate their schedule of outreach to current students and now plan to change their communications to use monthly newsletters that allow more regular provision of information about requirements, necessary forms, verification, and so on. These monthly communications, which will begin in November, will help the financial aid office stay in touch with current students but not overwhelm them.

Planning and Cross-Campus Collaboration

The core committee has continued to meet regularly to discuss any implementation issues that arise and ensure that all of the offices on campus are on board with the changes. The assistant director of technology has been greatly involved in the brainstorming and planning because, as a large institution, MFU relies heavily on its student information systems and enterprise application services to be able to deliver financial aid to students. She has been the liaison with the institution’s student information system and technology office on campus, as well as working closely with the university system, which has enterprise application services and a technology group for the system as a whole.

The financial aid office has also coordinated with a number of other offices on campus. For example, they worked closely with admissions to develop updated materials. These materials are going not only to students who applied, but also those who submitted interest forms, with updated information on FAFSA availability; revised materials will also go out to high school counselors. They also met with the registrar’s office to update the term session tables, which involved shifting the timeline up by three months.

Another linchpin was determining how to get cost of attendance figures earlier. The director of financial aid led the discussion across campus about the need for early numbers, and they met with the budget office, finance office, and housing office to try to get projections of tuition, fees, housing and other costs at a much earlier date. Projections for housing usually come in November, but tuition and fees are usually set for all four campuses and reviewed by the board of trustees in May. While they will not have final tuition and fee numbers by December, they anticipate they will receive early estimates that they can use with the estimated award notices, and when they receive final numbers they can adjust the cost of attendance.

Currently, the financial aid office is shifting attention to a communication push directly to students, using Twitter, Facebook, and other social media channels as a platform to reach students and families. For current students in particular, they are pushing out email communications and will use the monthly newsletter to streamline their communications while providing key dates and other information. All of their communication strategies and language are developed by staff and vetted by their communications coordinator; in addition, they feel it is important to use current students to gain feedback on language and simplicity of design.

Implementation Challenges

Throughout this process, they have anticipated a number of challenges in implementation.

- Very early in the planning, they collaborated with PeopleSoft (Oracle) regarding the software upgrades that would be necessary for earlier packaging—these initial conversations occurred last October, in preparation for delivery of bundle upgrades in October of this year so that the financial aid office has the technical ability to deliver the aid packages. The wait for PeopleSoft (Oracle) to change the implementation schedule for upgrades involved a lot of back and forth to work out dates and coordinate technology, and it was important that everyone be on board from the beginning.
- Given the increased potential for conflicting information when 2015 income and tax data is used for two consecutive award years, the financial aid office sent out a blanket communication to all students who filed a FAFSA for this year to encourage them to use the DRT for the 2016–17 year. If they use the DRT for this year and then again for next year, it should reduce the number of students with conflicting information and the need to follow up with students to resolve discrepancies.
- Because of PPY, they also anticipate increases in professional judgment requests given that extending the timeframe can lead to more special circumstances. At the moment, this is not a huge concern because they believe they have automated so many processes that they should be able to keep up. However, professional judgment requires a lot of manual review of documents, so if there is a large increase they might need to shift resources. One change they have made is to shift their philosophy toward thinking about timelines on a semester-to-semester basis instead of an award year basis; for example, they plan to adjust the date range of documents being requested depending upon which semester the review takes place, instead of asking for calendar year-based documentation.
- Financial aid staff workload will likely shift from their traditional down time in October as a result of moving up timelines. Despite the potential for more conflicting information and increases in professional judgments they are hopeful that with the additional time from Early FAFSA, they will get documents in earlier and can spread the work out over time. In addition, they are trying to streamline as much as possible to manage the change in operational calendar and workload using electronic and technological resources rather than increasing the number of staff—they are building an advanced structure to make document requests, verification requests, and auditing processes more automated. They continue to meet regularly with the technology team to implement checks and balances within the system.

With all of these changes, it has been difficult to predict what will happen in the coming year; in particular, they will need to make decisions about whether to align with the new state aid priority date, as well as implement potential tweaks to their timeline to reduce confusion. Without historical data to help make these decisions, they are tracking data closely, including the numbers of FAFSA completions, professional judgments, communications logs, social media data, and admissions application data, to see if there have been changes. They plan to explore whether students are accepting or cancelling offers of admission at different rates and what that is doing to the overall class. They will be looking particularly closely at data gathered for the December to March timeframe, including what questions they are getting from families, to see if they need to tweak their communication strategy.

Advice for Other Schools

The financial aid office recommends that financial aid administrators look at Early FAFSA and PPY as an opportunity to review the entire aid process to see if processes are accomplishing what they need to, or if they are in place simply because they have been institutionalized over time. They have used the opportunity to make changes in their communication strategy, packaging model, and awarding practices, which often means changing the way they view many aspects of their processes.

Conclusion

The institutions highlighted in this paper provide examples of how some financial aid administrators are dealing with the implementation of Early FAFSA and PPY. Although they are not necessarily representative of all institutions, they point to some of the benefits and challenges that will be faced in the transition period and beyond.

Given the experiences of these financial aid administrators, there are some important common themes and considerations for all institutions to keep in mind, including the following:

- **Changes in filing dates and packaging:** One of the key goals of Early FAFSA and PPY is to provide information to students and parents earlier so that they can make more informed decisions about admission and financial aid. This means that the timeline for processing aid may change substantially.
 - *What are the advantages and disadvantages to moving up priority aid deadlines?*
 - *How will you ensure that low-income and other historically disadvantaged students will not be harmed by the moving up of deadlines?*
 - *Will you continue to offer aid after the priority deadline? How should you make that decision, and who needs to participate?*
 - *Will other deadlines, such as admissions or state grant funding, change?*
 - *How will you know the impact of any change?*
- **Planning and collaboration:** Planning for implementation, as early as possible, is essential. Although some changes are too late to implement for the 2017–18 academic year, it is not too late to start the process for the following years. It is important to get key stakeholders on board early in order to prepare for any changes that need to occur. Financial aid offices should be working closely with partners in admissions, enrollment management, communications and outreach, and any other offices that will be impacted by the changes, as well as software vendors and other external partners. In addition, it is important to make upper management aware of potential impacts.
 - *Who needs to know about the changes?*
 - *Which offices might need to change their timelines or workload?*
 - *What is the best approach to bringing together key campus stakeholders?*

- **Communication and outreach:** Communicating the changes to internal and external audiences is also crucial. Admissions can be a big help in delivering updated materials to high school students and counselors. Outreach to current students should focus on new deadlines, but also can allow a longer period of time to submit required documentation and avoid last-minute decisions.
 - *Which materials need to be updated, and who is responsible?*
 - *Do timelines need to change for events, newsletters, mailings, email blasts?*
 - *Can current students be used to consumer-test communications materials?*

- **Changing institutional policies and practices:** Implementation of Early FAFSA and PPY will present both opportunities and challenges for the day-to-day work of financial aid offices. It is not yet clear if there will be dramatic changes in the extent of conflicting information, professional judgments, verification, or other factors, but it is important to consider the “what if” scenarios.
 - *Will you continue to select some students for verification beyond those selected by the Department of Education?*
 - *Do you have systems in place that can help automate processes such as document collection?*
 - *Do you need to update any policies or manuals to reflect changes?*
 - *How can you encourage increased use of the DRT by both new and current students?*

- **Negotiating external factors:** There are multiple factors that are outside of the control of the financial aid office, but nonetheless affect the financial aid process—state agencies make decisions about their grant programs, federal government Pell Grant charts and work-study allocations are not typically available until January or February (though this year the Department of Education was able to release schedules early), and tuition, fees, housing, and other costs may not be set. Institutions that wish to issue award notices earlier than in previous years need to carefully explain to students and families that they are preliminary and may be revised when final data is available.
 - *Have you worked with state agencies, budget offices, or other stakeholders to move timelines to allow earlier packaging?*
 - *How will you know the extent to which your estimated award notices differ from final award packages?*

- **Workload considerations:** All of the above factors may impact the work of financial aid administrators positively or negatively, and it’s not yet clear what the overall effect will be on workload. It seems like workload may be spread out over a longer period of time, or shift to different periods of business and down time. Allocation of staff resources and technological capacity will be important to managing the shifts in workload.
 - *Will additional staff be needed, or can temporary shifts be made just for the transition year?*
 - *Are there ways to streamline or automate information management systems to reduce burden?*
 - *Are there ways to adjust policies on verification or professional judgment to reduce burden?*

- **Assessment for future decisions:** As changes are made during the transition year and beyond, institutions will want to track various data points so that they fully understand the impact on institutional practices as well as student and family behavior. This is especially true since the validity of predictive modeling may be lower in the first few years after implementation.
 - *Are systems already in place to collect and analyze data?*
 - *What are the key data points needed to examine impacts?*
 - *What decisions need to be made about future changes in deadlines or policies?*

These common themes and considerations can help all institutions as they continue to implement various aspects of Early FAFSA and PPY over the next few years and make new decisions on institutional deadlines, policies and procedures. Some institutions have already moved forward to make substantial changes, while others are waiting for more information before deciding—or, have already determined that only minor changes are needed given their student population or other contextual factors. But regardless of an institution’s current status, it is likely that new issues will be raised that were not originally anticipated. In commissioning this white paper, NASFAA hopes to provide information that can help its members address any issues that may arise.

Ultimately, the promise of Early FAFSA and PPY lies in the anticipated benefits for students and families, especially with regard to providing a longer period of time in which they can make informed decisions about college admission and affordability. This goal complements the mission of financial aid offices around the country to help students and families better understand and utilize the financial aid resources available to them.

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