Panel Discussion
Prior-Prior Year–Early FAFSA
AGENDA

• Introduction to ‘prior-prior’ year (PPY)/Early FAFSA
• Overview of PPY Changes
• College Preparations
• 399 Comment Code
• Unexpected Consequences
• Questions and discussion
NASFAA Releases First PPY Report

October 2013

- With the assistance of a grant from the Bill & Melinda Gates Foundation, NASFAA analyzed more than 70,000 student records from five years of data
  - 9 Institutions: 2 public community colleges, 5 public doctoral-level universities, and 2 private four-year colleges

Major Findings:

- Percentage of students affected varies by dependency status and institution
- A shift to PPY works best for students from the lowest-income families, many of whom are independent students with dependents
- About 16-18% of students would see large (+/- $1,000) changes in their Pell Grant awards
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Change in Pell Award by Dependency Status

Change in Pell Award by Institutional
**Concern:** PPY is going to result in increased Pell Grant spending.
Result: Pell Grant spending would not significantly increase due to professional judgments, but may due to a broadened pool of FAFSA applicants—a mark of success.

**Concern:** PPY is going to negatively impact state funding.
Result: In a survey of state grant agencies conducted by the National Association of State Student Grant and Aid Programs (NASSGAP), over 85% of respondents representing 47 states indicated there would be “no issues related to following the FAFSA information based on a shift to PPY.”

**Concern:** PPY is going to increase administrative burden.
Result: There is likely to be a shift in time and resources spent on verification to time and resources spent on professional judgments
  - On the whole, this shift would not result in an increase in administrative burden
  - Further, the earlier availability of the FAFSA would allow more time for aid administrators to complete professional judgment evaluations
NASFAA Releases Second PPY Report

Benefits:

1. Earlier FAFSA Release
   • NASFAA proposes a FAFSA release date of as early as September 1.
   • The possibility of earlier FAFSA completion also allows for much better alignment with existing recruiting and admissions schedules and practices.

2. Accuracy of Data
   • The shift to PPY would mean that virtually all required federal tax returns would have been filed for the tax year being used to complete the FAFSA.

Additional Considerations:

1. Would institutional awarding methodologies change?
2. How would PPY affect institutional policies regarding need awareness?
Identifying Implications

The move to PPY could have some important implications for colleges and universities

- Budget and tuition planning timelines may need to be adjusted if award determinations are made in the fall instead of the spring
- Recruitment and admissions offices may need to alter messaging as high school seniors will receive financial aid information much earlier

Improving Implementation

Immediately following the President’s announcement, NASFAA announced its intention to form a PPY implementation task force to ensure a smooth transition for financial aid offices nationwide
Potential Impacts on Student and Family Behavior

Shifting priorities in college search
Changed college application patterns - Earlier and/or later applicants? Both? Earlier and more informed enrollment decisions
Mixed views on stress

Potential Impacts on Admission and Recruitment Behavior

Earlier discussions about financial viability
Admissions staff cross-training
Rolling admissions could be at an advantage - Acceptances and financial aid decisions sent together?
Challenges to articulating value proposition
Adoption of early decision/early action programs
Changes in yield projection accuracy - Econometric modeling may not be as accurate; Methodically enhance yield activities/resources; Potentially have earlier, stronger indicators of class yield
What are enrollment leaders saying?

“The next recruitment cycle is likely to bring more questions and challenges.”

“Will the phones start ringing off the hook?”

“This is going to push the admission timeline earlier and earlier.”

“Apply for admission, apply for aid, wait two months, and then we’ll answer your question. Families will now feel they have more information about how the process will end.”

“We can offer a much more satisfying answer to some of the questions that families have as they are exploring options.”

“I’m worried that students will receive information from our competitors and they’ll decide to not even apply to us.”

“Let the games begin!”
Now that we are here!

• High School Guidance and Assistance?
• Admissions Practices?
• Administrative Systems?
• Student Communications?
• Early Awarding?
• Budgets?
• Estimates for State or Institutional Aid?
Discussion – Getting through the first year

• Administrative Burden?
• Special Circumstances? PJs?
• Staffing Changes?
• Conflicting Information?
• Unexpected Challenges?