

Item 10

Information Item

Update on the 2017-18 FAFSA release on October 1, 2016

SUMMARY OF THE ISSUE(S):

This item provides updates on the topics related to the 2017-2018 Early Free Application for Federal Student Aid (FAFSA) and Prior-Prior Year (PPY) initiative and its impact to the California Student Aid Commission (Commission) programs and workload.

The 2017-2018 FAFSA application period will begin on October 1, 2016 and the application will be completed using 2015 tax data. Additionally, this FAFSA year will be the first in which a student's list of schools on their ISIR (Institutional Student Information Report) will not be listed in priority order.

Commission staff formed an internal *Early FAFSA PPY* workgroup consisting of subject matter experts from various units, and has started the initial assessment of the impact that of some of these FAFSA changes will have on the Commission's programs and current processes. From its initial review, the upcoming FAFSA changes are likely to expand the timeline for the training and outreach services provided to our stakeholders and students, while increasing the workload for Commission staff. For further review of this project's impact and changes, the Early FAFSA PPY workgroup has expanded to include external stakeholders who have the opportunity to provide feedback on the different topics of discussion.

RECOMMENDATION:

Implement internal processes that need to take place for our system to be able to successfully implement this new timeline, such as finding the best way to manage the award processing and reconciliation for the current academic year (2016-2017), while preparing for the initial award processing of the upcoming 2017-2018 year.

Commission staff will continue to consult and partner with institutions to prepare for early Cal Grant notifications. In addition, staff will seek additional resources to implement the changes necessary for processing Cal Grant award offers earlier to students.

BRIEF HISTORY OF KEY ISSUE(S):

Currently the FAFSA application period begins on January 1st of each year and the financial information collected on the FAFSA is from the tax year immediately preceding the award year for which the student is applying. In September 2015, the White House stated that requiring students to wait until January, slows down the financial aid process and makes it difficult for prospective

California Student Aid Commission

students to determine whether they can afford to go to college. Subsequently, President Obama announced the following changes starting with the 2017–2018 FAFSA application year and going forward:

- The application period will begin on October 1 of each year instead of January 1. This means that the 2017–2018 FAFSA application period will extend from October 1, 2016 through June 30, 2018.
- Students will report income information from an earlier tax year (PPY). For example, on the 2017–18 FAFSA, students (and parents, as appropriate) will report their 2015 income information, rather than their 2016 income information.
- Students ISIRs will no longer list student school choices in priority order.

Currently, the Commission offers a student's Cal Grant award to the school the student is most likely to attend (SMLTA). The SMLTA is the school the student lists first in the school choice section of the FAFSA or CA Dream Act application. These changes will require developing new Information Technology (IT) solutions to the Cal Grant awarding and payment process. With the earlier application period, some significant changes need to take place to align with the President's intent to inform students of their financial aid options as early as possible, such as preparing to release the CA Dream Act application (for AB 540 students) on October 1 to mirror the FAFSA. It is important to note that the Cal Grant priority deadline of March 2nd is set in state law, so it will remain the same, but the application period will be extended.

ANALYSIS:

Early FAFSA PPY Workgroup and Partners

Commission staff conducted an extensive program and process review in order to develop a student-centered strategy moving forward, that allows for receiving FAFSA and Dream Act applications earlier and issue more timely award notifications to students and families. Commission staff shared some preliminary ideas and change proposals with segmental representatives, and received support for the early processing of 2017-2018 Cal Grant award offers beginning in November 2016.

On January 12, 2016, two webinars were conducted to communicate known changes and updates to colleges and high schools respectively. An invitation to join the webinars was extended to all segments and over 200 high school counselors, financial aid administrators and other educational partners participated in them. Due to the large number of workgroup participants, stakeholders were then given two options for future meetings and on-going discussion: meetings per segment OR split into subgroups to discuss specific topics such as communications, award processes and outreach. Stakeholders decided that separate segmental meetings would better serve their needs for the external Early FAFSA PPY workgroup.

On March 9 and 10, Commission staff hosted and facilitated four separate webinars by segment. Each webinar lasted approximately 45 minutes and averaged 30 to 50 attendees from each segment. Commission staff presented operational changes to accommodate for the earlier FAFSA and participants were given an opportunity to ask questions and provide feedback. The next

California Student Aid Commission

external workgroup meetings are planned for April, and will include discussion on the new California Aid Report (CAR). Commission staff will continue to consult with segmental representatives on all changes to the upcoming 2017-2018 Cal Grant award process for feedback and recommendations.

The Commission recognizes that a communications campaign is vital to the success of early FAFSA and PPY. Consistent with those efforts, the Commission has partnered with the Intersegmental Coordinating Committee (ICC) of the California Education Round Table to develop materials for the early FAFSA and PPY that can be distributed to students and families. These materials will be used to promote the early FAFSA or California Dream Act application to high school juniors encouraging them to begin filing the FAFSA on October 1, 2016. The ICC's partnership will assist the Commission in informing families and their students of the benefits of filing the FAFSA or California Dream Act application early.

Processing Changes

The October 1 opening of the 2017-2018 application period will greatly benefit students and their families in receiving more timely financial aid award notifications to make more informed college decisions. However, there are several internal processes that need to take place for our system to be able to successfully implement this new timeline, such as finding the best way to manage the award processing and reconciliation for the current academic year (2016-2017), while preparing for the initial award processing of the upcoming 2017-2018 year. To best accomplish this, commission staff have identified and proposed the following changes:

- Ending the award processing for the 2015-2016 academic year on June 30, 2016. If we consider the proposed September 10 reconciliation deadline, this would give schools and commission staff a period of three months to perform corrections, adjustments, and payments prior to the 2015-2016 year-end process.
- Setting the 2015-16 reconciliation deadline for September 10, ahead of the October 1 FAFSA and CA Dream Act application opening. The prior year's reconciliation deadline was November 19, but with the application period opening three months earlier, it is necessary to move up the reconciliation date. Campuses expressed concerns about reconciling their summer Cal Grant students and finishing their year-end process very close to the fall opening. The workgroup will continue discussions on how to manage three fiscal cycles.
- Moving up the 2017-2018 Grade Point Average (GPA) upload cycle to begin on May 1, 2016 and continue through March 2, 2017. Receiving this information earlier, would allow the Commission to process and issue earlier award notifications to students and families. Without GPA information from the high schools, the Commission will be unable to process Cal Grant awards for those applicants that file their FAFSA and CA Dream Act applications during the initial weeks of the application period.

With the passage of Chapter 679, Statutes of 2014 (AB 2160, Ting), all public high schools are required to electronically submit GPA information for their students, by the March 2nd deadline. High schools are encouraged to provide their GPA data information as early as possible, so that their students can take full advantage of the early FAFSA by receiving more timely Cal Grant consideration. With these revisions to the application and GPA cycles, the Commission anticipates being able to offer high school Cal Grant entitlement awards beginning in November 2016.

California Student Aid Commission

Without knowing the student's priority college listing, the student will be notified through a California Aid Report (CAR) award letter displaying the award amounts at the eligible institutions they listed on their FAFSA or CA Dream Act application. This communication will also advise the student to open a WebGrants for Students account to select the college they will attend. This not only encourages students to get involved in managing their Cal Grant award online, but will also allow the Commission to place the student on the correct payment roster based on the student's final school choice.

This strategy also includes a customized communications plan for colleges, high schools, and students affected by the changes with the aim to inform, educate, remind, and interact with all stakeholders on a regular basis. Communication will remain constant and our messaging frequency will increase as we approach the October 1 start date.

The Early FAFSA PPY initiative has required Commission staff to develop alternative solutions for assisting students and families with early financial aid information. Early Cal Grant award offers and financial aid information will help these families in making more informed college choice decisions. The proposed changes to our current processes and timelines student-centered improvements that will better align with the federal Pell model.

Program Administration & Services Division Staff Impact

In addition to the activities addressed by the Early FAFSA PPY workgroups (internal & external), the Program Administration and Services Division (PASD), anticipates a significant increase in its current workload within all units. Beginning with the 2017-18 academic year, the application season will extend from the current two months (January and February), to five (October 1 through March 2) which is likely to increase the customer telephone support and e-mail activity. PASD staff provide resources and personal assistance to California's economically disadvantaged students on a daily basis. The Commission has requested additional resources to manage the current call, e-mail, and forms processing workload.

Given that many students will begin filing FAFSA, CA Dream Act, and Chafee applications before they have chosen their college of attendance, many students will likely contact the Commission's customer support staff rather than campuses for information on their financial aid opportunities. In 2015, the Customer Assistance and Processing Unit (CAPU) received approximately 123,000 calls, but current staffing, only allowed to respond to 73,000 of those calls and 50,000 calls went unanswered. Additional staff would allow the Commission's CAPU to reduce the number of unanswered calls and better serve students and their families with their financial aid application process. While it is difficult to quantify future volume, with the October 1 opening of the FAFSA filing season, students, high schools and post-secondary institutions will contact CSAC staff with questions about the new process. Staff will continue to track call volume, unanswered calls, wait times, and processing backlogs.

The Institutional Support Unit (ISU) provides phone support to over 350 Cal Grant participating institutions, nearly 3,000 high schools, and many students through the escalated calls transferred from the CAPU. Each incoming ISU call is greater in length as most of these calls require more in-depth information or specific training on WebGrants, program eligibility and other procedures. ISU Staff also provide trainings at high school counselor workshops and various outreach events; they provide ad-hoc institutional training, facilitate webinars, and create training modules on a regular

California Student Aid Commission

basis. In addition, experienced staff, lead Commission workgroups, process Institution Participation Agreements, assist schools with GPA uploads, and coordinate other programs as needed. The Early FAFSA and PPY changes will dramatically increase their workload as was experienced with the extended GPA submission period, and increased customer support calls with the pilot year of the early FAFSA.

The System Analysis and Operations Unit (SAO) serves as the bridge between PASD and the IT Division to resolve production incidents, assist in the development of business requirements for IT projects, and conduct the user acceptance testing prior to deployment to the live environment. The SAO also runs system queries for data requests, creates program reports and assists with budget projections. The early FAFSA and PPY changes will require the SAO to work intensively with IT staff to accomplish all the items that were earlier described in the Processing Changes section, such as the revised CAR and the Cal Grant award changes. Staff in this unit, will also have to ensure that the CA Dream Act application opens successfully on October 1, implement any other FAFSA changes that impact Commission programs, and provide continued support in all on-going IT projects. The SAO unit's role in the next six months is vital to the success of not only the early FAFSA, but to all of the GDS system changes and updates.

In order to provide sufficient and quality customer service to students, families, high schools, colleges, community organizations, and other state agencies and partners, more staff and resources are needed. PASD staff need the necessary support to be able to meet increasing demand and accommodate the effects of the early FAFSA. Encouraging students to fill out the FAFSA and apply for financial aid as early as possible, will give California students a better opportunity to qualify for a Cal Grant, but it will also help maximize the state's share of federal, institutional, private, and other forms of financial aid, while expanding California's investment in higher education.

Conclusion

The Commission looks forward to the Early FAFSA PPY pilot year, hoping that students will be able to directly benefit from all of these changes, and that Commission staff will be able to offer all the needed support and assistance to students and institutions.

RESPONSIBLE PERSON(S):

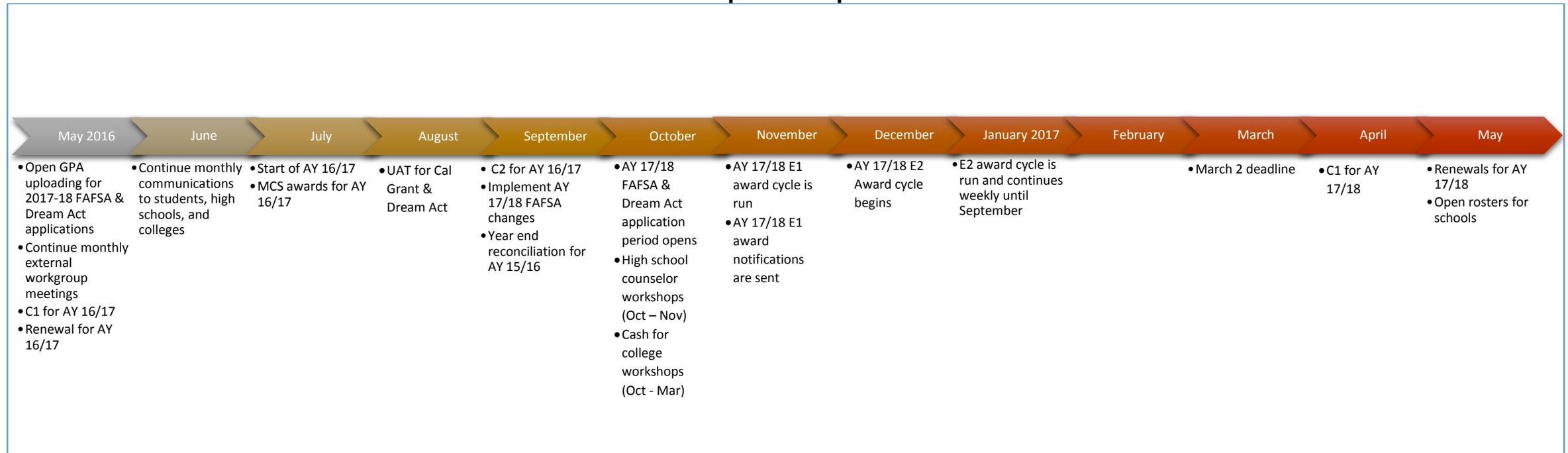
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ATTACHMENT(S):

Attachment 10.1: Timeline for new awarding process
Attachment 10.2: Award & Notification Process Flowchart

FAFSA PPY Proposed Impact Timeline



AY = Academic Year
 E1 = High School Entitlement
 E2 = Community College Transfer Entitlement
 C1 = March 2nd Competitive
 C2 = September 2nd Competitive
 MCS = Middle Class Scholarship
 UAT = User Acceptance Testing

