

Item 12

Information Item

Update on the 2017-18 FAFSA release on October 1, 2016 and outreach, and communication plans

SUMMARY:

This item provides updates on the 2017-18 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 external stakeholders.

The Early FAFSA PPY initiative was implemented by the United States Department of Education (USDE) as a way to simplify and improve the FAFSA process. The 2017-18 FAFSA period will begin on October 1, 2016, rather than January 1, 2017. To align with Early FAFSA, the Commission will also release the California Dream Act Application (CADAA) and the Chafee application for foster youth on October 1, 2016. Students will now have an additional three months to complete the FAFSA, CADAA and Chafee application. With an earlier application, and the ability to utilize PPY tax and income data, students will have more time to identify and explore their college options and make informed decisions. To achieve the benefits of Early FAFSA PPY, it was necessary to change and update the Commission's awarding processes.

With less than three weeks from implementation, Commission staff continues to work towards ensuring that the Grant Delivery System (GDS) is ready for the October 1, 2016 release. System enhancements including changes to the Cal Grant awarding process, student confirmation process and school reports have been made to address the early FAFSA PPY and CADAA initiative. The new administrative processes to offer preliminary Cal Grant notifications and awards has been established and communicated to external stakeholders. Staff will continue to address any concerns from external stakeholders and consult with the Financial Aid Advisory Board (FAAB) and other workgroup committee members to identify solutions.

Commission staff continues to be cautiously optimistic that the first phase of the project will be completed by October 1, 2016. The new Cal Grant processes to provide students with earlier information about their potential eligibility for financial aid, is projected to be completed by early November 2016.

RECOMMENDATION:

Staff will continue to implement the changes to meet the Early FAFSA PPY October 1 date and to make every effort to identify all modifications to the GDS that could impact the timeline. Updates, issues and potential risks related to the October 1 and early November implementation will be communicated to the FAAB, workgroup and other stakeholders.

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BRIEF HISTORY OF KEY ISSUE(S):

Historically, 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 students to determine whether they can afford to go to college. By having the FAFSA available earlier, students will be able to complete their financial aid applications in the same timeframe as their college admissions applications. Subsequently, President Obama announced the following significant changes starting with the 2017-18 FAFSA application year and going forward:

- **Earlier FAFSA submission period:** The application period will begin on October 1 of each year instead of January 1. This means that the 2017–2018 federal FAFSA application period will extend from October 1, 2016 through June 30, 2018. However, the March 2nd deadline still applies to Cal Grants, and Middle Class Scholarship (MCS). Thus, the 2017-2018 California application period will extend from October 1, 2016 through March 2, 2017. The earlier and longer timeframe for the FAFSA and CADAA will allow applicants more opportunities for a Cal Grant and MCS award.
- **Earlier income and tax information:** 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. Using PPY information will no longer impede students from the application process by using estimated tax information and correcting it later on. Applicants can also utilize the IRS data retrieval tool to automatically import the tax information into the FAFSA. The table below shows that 2017-18 FAFSA and CADAA applicants will use the already filed 2015 tax information.

When a Student Is Attending College (School Year)	When a Student Can Submit a FAFSA	Which Year's Income and Tax Information Is Required
July 1, 2015–June 30, 2016	January 1, 2015–June 30, 2016	2014
July 1, 2016–June 30, 2017	January 1, 2016–June 30, 2017	2015
July 1, 2017–June 30, 2018	October 1, 2016–June 30, 2018	2015
July 1, 2018–June 30, 2019	October 1, 2017–June 30, 2019	2016

- **Student information protection on the FAFSA:** An Institutional Student Information Record (ISIR) is an electronic record containing valuable student information reported on the FAFSA that is used by colleges and state agencies to determine financial aid. During the 2016-17 FAFSA year, the USDE restricted the list of colleges appearing on ISIRs received by colleges. This decision was based on concerns that colleges were using the list of colleges on ISIRs to evaluate students for reasons unrelated to the awarding of student financial aid. State agencies, however, would continue to receive the full college list.

These three major changes for the 2017-18 FAFSA year are steps taken by the USDE for FAFSA simplification which enables the financial aid process to be more student-centered.

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On January 8, 2016, USDE announced that beginning with the 2017-18 award year, the listing of the colleges included on a student's FAFSA would be randomized for state agencies. This would ensure that no student is disadvantaged when being considered for state financial aid. On June 8, 2016, the USDE made an update, stating that the randomization would not occur until the 2018-19 award year. This delay will allow for state agencies to make any necessary system and administrative modifications related to the randomization of college order.

ANALYSIS:

Commission staff formed an internal workgroup to implement the upcoming FAFSA PPY and CADAA changes by October 1, 2016. These changes included:

Opening an earlier Grade Point Average (GPA) processing window.

In order for students to benefit from the earlier FAFSA, GPAs should be submitted to the Commission by October 1, 2016 to best align with the Early FAFSA. Having GPAs earlier will allow the Commission to tentatively award the corresponding students by early November. In preparation for receiving GPAs earlier, the Commission opened the GPA processing window on June 10, 2016.

Currently, the Commission is simultaneously receiving GPAs for two different award years. The current-year process allows school districts and high schools to submit GPAs in batch uploads until September 2, 2016. This will allow the Commission to control GPAs uploaded for the Competitive Cal Grant cycle and separate those from the GPAs uploaded for 2017-18 Entitlement Cal Grant cycle. A Grant Operations Memo (GOM) was released June 10, 2016, communicating to Financial Aid Administrators and High School Counselors about the opening of the 2017-2018 GPA processing window.

Staff will continue their outreach to school districts and high schools to encourage earlier uploads. In addition, staff will continue their collaboration with the CDE to provide updates.

New Earlier Cal Grant Awarding Process

To fully maximize the benefits of the early FAFSA, Commission staff expects to make initial Cal Grant awards to current high school seniors during the application process for four-year institutions. The early Cal Grant award notification will provide the prospective college freshmen with valuable information about state financial aid. The early Cal Grant awards address all three federal objectives of an earlier application, easier tax information and student information protection. Staff developed a new Cal Grant process that fully supports the student information protection which will be enhanced even further next year with ISIR randomization, while not compromising functionality for our school users.

During the June FAAB meeting, staff presented members with the new Cal Grant award processing flow. Due to the technical level of the presentation, the FAAB recommended that staff simplify and clarify the main points for external stakeholders. Staff identified six main steps in the Cal Grant award process: 1) Application and GPA Submission, 2) Tentative Award Notification, 3) Cal Grant Claiming Process, 4) California Aid Report (CAR), 5) School Claiming Period, and 6) Student Follow-Up.

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1. Application and GPA Submission: For students who have submitted the FAFSA/CADAA, and a GPA is on record, the GDS will identify the Cal Grant eligible schools and determine their preliminary eligibility for a Cal Grant award. Student applications will be processed on a weekly basis with a communication to notify the student of their potential financial aid resources.
2. Tentative Award Notification: Students who have been offered a Cal Grant will receive a Tentative Award Notification as early as November 1, 2016. This communication will inform those students that they have been preliminarily awarded and display the maximum Cal Grant award amounts for each segment. Students will also be prompted to create a WebGrants for Students (WG4S) account to manage their Cal Grant awards. Students will be informed that they may qualify for other financial aid including Federal Pell Grant, Work-Study Program, Federal Student Loans, CCC Board of Governors (BOG) Fee Waiver, institutional aid, and private scholarships and student loans.
3. Student Claiming Process: Students offered a Cal Grant will be asked to claim their awards. This includes creating a WG4S account, confirming school of attendance or processing a school change, and certifying high school graduation. Staff has updated specific web screens in WG4S to communicate the requirements to claim their Cal Grant award.

Students who do not claim their Cal Grant award offers will be notified. The WG4S will also provide special messaging when students log into their accounts. The requirements will include confirming their college of attendance and high school graduation certification.

4. California Aid Report (CAR): The CAR is the communication that confirms the student's Cal Grant award offer and provides the specific award information after the student has claimed the award. The CAR will list the school of attendance, identify which Cal Grant and award amount the student was offered. In addition, the CAR will instruct students to manage their awards in order to ensure they receive their Cal Grant at the correct campus.
5. School Claiming Period: Students who have claimed their Cal Grant award offers on WG4S will be placed on the Cal Grant Payment Roster at their school of attendance. Institutions will be able to identify awarded students and disburse payments after final determination of their financial aid award eligibility.

Students who have not taken action to claim their Cal Grant awards will be added to an Unclaimed Cal Grant roster. After May 1, institutions will have the ability to claim students by using the school change screen. Institutions will also have the capability to identify awarded students through an extract file.

6. Student Follow-Up: Students will be instructed to follow-up with their school's Financial Aid Department to ensure that they have met all of the requirements to receive their Cal Grant payment. This includes completing and submitting all outstanding/supplemental documents and making sure that any updates to the FAFSA are completed. Students who have satisfied all outstanding requirements, and have had their eligibility and enrollment confirmed can be paid by their institution.

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Financial Aid Advisory Board (FAAB)

The FAAB will review major proposed program or policy changes and provide advice and recommendations to the staff. As such, any proposed changes in processes that result from the Early FAFSA will be introduced, discussed, and analyzed by the FAAB.

The first FAAB meeting was held on June 15, 2016. The agenda included a discussion of the Early FAFSA PPY and DACAA and the corresponding changes, including early GPA submissions, review of the new awarding process, student communication plan, outreach, and early reconciliation. FAAB members recommended that we share the presentation of the Cal Grant awarding process with external stakeholders. This included changes to the Tentative Award Notification, the California Aid Report (CAR), web screens in WebGrants for Students, Commission tutorials, and outreach. Continued discussion on the early FAFSA, PPY and Cal Grant process changes will occur at next FAAB meeting scheduled for Wednesday, September 7.

Communications

Staff communication with external stakeholders continues. The partnership with the Intersegmental Coordinating Committee (ICC) which consists of staff, faculty, and student representatives from all sectors of education, including the California Department of Education (CDE), University of California, California State University, California Community Colleges and the Association of Independent California Colleges and Universities, yielded a one-page flyer that communicates about the FAFSA and CDCAA becoming available on October 1, as well as the use of PPY tax information.

Staff continues its collaboration with CDE. A joint communications letter on the Early FAFSA from the State Superintendent of Public Instruction and the Commission's Executive Director, will be sent to District Superintendents, Charter School Administrators, and High School Principals in early September. The communication will include information on the early GPA processing, reminders about California Education Code 69432.9 (Chap. 679, Stats. 2014 (AB 2160 Ting), and Commission resources and outreach for the Early FAFSA and CADAA.

An important component in making the Early FAFSA PPY initiative beneficial to students, is receiving GPAs earlier. Staff conducted a GPA upload survey to elicit feedback from districts and high schools to identify issues with the current GPA upload process, resources, and customer service. Most importantly, Commission staff wanted to allow districts and high schools an opportunity to address these issues. Initial survey responses indicated that most of the responding schools had varying levels of difficulty with the GPA upload process. This included issues with the electronic submission of GPAs via WebGrants, GPA reports, software compatibility and the matching functionality. Additionally, there were miscellaneous comments about training, communication and resources. Staff will use the feedback collected to create a more user-friendly process. Online resources including tutorials, modules, user guides and templates have been updated. In addition, the GPA upload screens have been revised to better communicate with System Administrators and Users.

Media and Communications Plan

Staff has developed a communications plan for Early FAFSA PPY that incorporates partnerships with other organizations and media. The height of the Early FAFSA PPY campaign is from

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September 1, 2016 through October 15, 2016. The emphasis during this period will be on increasing awareness among socioeconomically disadvantaged students and English learners (as defined by the CDE utilizing public service announcements (PSAs) on radio, television, and social media, as well as by press releases for print. The public education campaign will continue throughout the March 2, 2017 Cal Grant deadline.

In addition, informational materials have been developed to compliment the PSAs including: a PowerPoint presentation for students, an updated Cash for College poster, folder, and website. In the upcoming 2017-18 academic year. Beginning September 2016, our goal is to undertake an aggressive and effective public service campaign to inform Californians about the availability of Cal Grant funds, starting with completing the FAFSA or CADAA.

Outreach

High School Counselor Workshops: The annual High School Counselor Workshops will begin earlier this year to align with the Early FAFSA. Workshops began on August 25, 2016 and will continue through October 19, 2016. Twenty-two sites were confirmed including new sites at Sonoma State and California State University, Fullerton. Commission staff made significant changes and updates to the High School Counselor Workbook to include the PowerPoint slides, talk-tracks, notes sections, and a resource section.

Cash for College: Historically, the Commission has worked with local and regional partners to host Cash for College workshops statewide to provide hands-on assistance for low-income and first-generation students and parents to complete the FAFSA and later the CADAA. In 2016, the Commission provided over 800 Cash for College workshops in 51 counties throughout the state. Numerous Cash for College workshops were provided in Spanish.

This year, to align with the earlier FAFSA, Cash for College workshops will be conducted starting October 1st and continue through the regular March 2nd deadline. For the 2016-17 workshop season, the new Cash for College Workshop Management System (WMS) was launched. WMS is the Commission's centralized system that will be utilized by Regional Coordinating Organizations, partner agencies, students and Commission staff to coordinate, implement, and follow up on the Cash for College workshop process.

Conclusion

Several changes and updates have been made to the GDS with the goal of streamlining the early Cal Grant awarding process. This Early FAFSA PPY/CADAA project was important for Commission staff and given priority because of the benefits to high school seniors and their families as they plan, prepare and make decisions for college. In addition, high school counselors and community organizations who work directly with these students and families will have more time to assist them in completing the financial aid applications. The early financial aid communication will help families learn about what resources are available for their students. The Commission's Customer Relations Branch staff is preparing to assist students and families during the fall with the new earlier awarding process. An update of the implementation and preliminary outcomes will be reported at the Commission's November meeting.

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RESPONSIBLE PERSON(S):

Catalina Mistler, Deputy Director
Program Administration and Services Division

Tae Kang, Senior Manager
Program Administration and Services Division

Steve Caldwell, Senior Manager
Program Administration and Services Division