Prepping for Prior-Prior Year:

A Guide to Campus Conversations and Decisions

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CollegeBoard

Using this Guide

Part 1: Start the Conversation

This section provides tips on how to begin planning discussions and informing campus colleagues, including:

- Starting the conversations around PPY.
- Determining the players and their roles in making the necessary changes.
- Establishing guiding principles, objectives, and timelines.

Part 2: Make Key Decisions

This section focuses on components you may wish to consider for a successful implementation:

- Decisions related to admission calendars, activities, and processes.
- Decisions related to financial aid operations, policies, and processes.

The *Guide* has been developed to help identify the opportunities and challenges ahead, factors to consider moving forward, and the right people to pull together on campus to assure a successful transition. You will find helpful tips and real-life examples from colleagues across the country who are also working their way through the process. It includes questions you will want to discuss as you address the implications of PPY on your admission and financial aid policies, practices, and operations, and it stresses the importance of broad communication throughout the process.

The examples and recommendations in this *Guide* are rooted in strategic conversations that took place from September 2015 to March 2016 with College Board members, council leaders, and Trustees. The following themes emerged as the highest priorities for our members:

- Admission policies and standards of best practice.
- Financial aid policies and best practices related to appeals and use of professional judgment.
- Common language, key messages, and communication tips.

The College Board will continue to provide resources and discussion opportunities, including:

- Webinars and Web-based resources.
- Presentations and talking points that you can use to help senior administrators, staff, counselors, and prospective families understand PPY and related changes to the 2017-18 FAFSA.
- College Board financial aid programs and services support.

Look for updates, information, and tools at **collegeboard.org/ppyresources**.

The College Board is working in collaboration with organizations including the American Association of Collegiate Registrars and Admissions Officers (AACRAO), the National Association for College Admission Counseling (NACAC), the National Association of Student Financial Aid Administrators (NASFAA), and the National College Access Network (NCAN) to ensure that together we provide strong, consistent guidance and resources for higher education professionals, counselors and advisers, and students and families.

As you make the transition to prior-prior year on your campus, please share your experiences, questions, and best practices by emailing the College Board at **preppingforppy@collegeboard.org**.

Understanding the Shift to Prior-Prior Year and Earlier FAFSA Filing

Beginning Oct. 1, 2016, the 2017–2018 Free Application for Federal Student Aid (FAFSA) will be available to students to apply for federal financial aid. To be ready to receive and respond to this change, campuses need to begin planning now.

There are two significant changes to the 2017-18 FAFSA filing process:

❶ The FAFSA will be available earlier — in October rather than in January — affecting financial aid processing timelines and potentially affecting admission calendars.

❷ Students and families will report income information from two years prior to the academic year ("prior-prior year") instead of the previous year.

These changes hold great promise for improving the college-going process for students:

- Students will be able to apply for financial aid earlier.
- More students and parents will be able to directly import their income data from the IRS to the FAFSA using the Data Retrieval Tool (DRT), potentially producing more accurate Expected Family Contribution (EFC) calculations and simplifying the verification process.
- Closer alignment with the admission cycle may enable campuses to communicate earlier about net price and affordability, which may help students and families make more informed decisions.

The move to PPY presents opportunities and challenges for institutions and will directly impact the daily work of financial aid and admission professionals. This *Guide* has been developed to help you and your campus colleagues identify those opportunities and challenges, as well as the decisions you will need to make to assure a successful transition. While the changes related to an earlier FAFSA and the use of prior-prior year income will affect all applicants for federal financial aid starting with the 2017-18 FAFSA, the primary focus of this and subsequent guides will be on entering students.

Part 1: Start the Conversation

As with any large project, you'll need to identify the people who will lead and be involved in the work, the objectives you hope to accomplish, the decisions and activities that will be required to achieve your objectives, and the time and other resources you will have available to get the work done.

An earlier FAFSA using prior-prior year income information is a major landscape change with the potential of delivering great benefits to students and families. It also provides a unique opportunity for colleges and universities to reevaluate the goals, objectives, and guiding principles surrounding their application and enrollment practices.

One key to a successful transition is to convene effective planning conversations now. Establish a plan and carefully monitor progress with critical dates in mind. Remember that your higher education colleagues across the nation face similar challenges and opportunities. The College Board will continue to share your collective knowledge and best practices through our series of guides and resources.

Step One: Determine the players and their roles.

Your organizational structure and the offices most affected by the implementation of PPY will determine the key people necessary to carry out the conversations and work related to this change. Senior administrators will need to be kept informed of your progress, and others outside the core groups may need to be consulted when addressing specific issues.

☐ **Questions to ask and answer:**

- Will you need a broad-based steering group to manage the PPY effort, more focused work teams, or both?
- Who are the final decision-makers?
- Who is primarily accountable for ensuring a smooth transition?
- Will you need to designate a PPY project leader, or do you have a structure in place that can address PPY impacts, decisions, and cross-functional concerns?
- Which departments/functions are affected and should be represented on the work teams?

Step Two: Identify project leadership and bring teams together.

The first consideration will be to identify how you will manage conversations and decisions. You may find that designating an overall project leader will help to manage concerns across multiple areas or teams. Another approach may be to leverage a cross-functional team structure already in place. For example, some institutions have decided to manage PPY concerns and strategies through a standing enrollment management team in which the chief enrollment officer will serve as the primary lead.

Using whatever structure works best for you, think about who has the expertise and authority to convene teams and monitor tasks that will need to be completed in a short amount of time. These individuals should be prepared and empowered to:

- Convene the teams.
- Oversee work plans, deadlines, and milestones.
- Make regular progress reports and raise potential red flags.

After identifying the best project management approach for your institution, consider establishing teams with intentional overlap in participants to facilitate communication and collaboration:

☐ **Leadership team** — the people empowered to set overall objectives and make high-level decisions related to policies and practices. This group could include:

- Financial aid, admission, and enrollment senior staff, and others with departmental responsibility and/or decision oversight of PPY-affected units.
- Student accounts manager/bursar.
- Institutional research and reporting.

College Board members provided the following examples of questions for consideration by the leadership team:

→ What will determine a successful implementation of PPY and the 2017-18 FAFSA?

- What are the greatest risks? The greatest benefits?

→ What are the high-level calendar and policy issues to address?

- Tuition-setting schedule.
- Financial aid/admission coordination.
- Financial aid and scholarship policies and deadlines.

→ Are there broad issues leadership must raise with state/local leaders (e.g., fees, state funding)?

→ What changes might we expect related to yield, melt, and expenditures?

→ What are peer institutions doing?

→ Staffing impacts?

→ Are there changes that should be tabled or considered for future years?

☐ **Technical and operations team** — charged with examining technical processes and implementing PPY-related changes to operations and systems. This group could include:

- Representation from operations staff in financial aid, admission, and student accounts.
- Information technology.
- Institutional research and reporting.

College Board members provided the following examples of questions for consideration by the technical and operations team:

- What updates will our student information system require and by when? What are the implementation plans and timelines of our software providers?
- How will the earlier arrival of FAFSA data affect our overall workflow, and what possibilities do these changes offer for rethinking our routine processes?
  - How should we manage our work on behalf of current students, as well as transfers, grad students, international students, athletes, etc.?
- What data should we capture in order to analyze the impact and changes related to PPY?

☐ **Outreach team** — responsible for developing content and materials to inform key constituents. This group could include**:**

- Financial aid and admission/enrollment staff responsible for student communications.
- Public relations and marketing.

College Board members provided the following examples of questions for consideration by the outreach team:

- Who are the key constituents we need to inform?
  - Senior administrators, governing board, faculty, other interested campus parties.
  - State and system leaders, as appropriate.
  - School counselors/college access organizations.
  - Students and families.
- What are the key changes we must communicate?
- What information sources should be updated first?

Step Three: Establish guiding principles, objectives, and timelines.

☐ Agree on guiding principles:

Your institution has a unique set of values that can serve as important touch points throughout the planning and implementation process. In addition, professional standards of good practice already in place can serve as useful foundations and reminders as you embark on the shift to prior-prior year.

The availability of an earlier FAFSA has the potential to create significant changes in college-going processes and calendars. **NACAC, the College Board, and our association partners encourage colleges and universities to work toward allowing entering students more time to plan and make more informed enrollment decisions.** Adhering to this objective is critical to making this important policy change a success.

Examples of specific PPY-related principles College Board members have shared:

- Place a priority on making PPY work for and benefit students.
- Avoid disrupting admission and financial aid calendars and processes unnecessarily.
- Be as transparent as possible.
- Allocate funds thoughtfully so that money is available for later financial aid applicants.
- Be open to midcourse adjustments if initial decisions and plans are proving detrimental to enrollment, retention, or other important factors.

☐ Determine scope and objectives:

For each work team, determine what will be the focus of activities and top priority decisions to be made. One approach would be to determine the changes that are required by October 2016; then consider those that are desired by that date, and those that may be optional. This will help teams prioritize decisions and activities. Consider the following:

Required:

- Which websites and publications need to be updated to reflect 2017-18 admission and financial aid application requirements and deadlines?
- What steps are needed to ensure that our financial aid system is ready to accept FAFSA data and document tracking rules are in place so that communications to students can begin to flow when data are loaded?
- Are there operational guides or procedures that must be modified to comply with new guidance from Federal Student Aid (e.g., verification, managing conflicting information, etc.)?

Desired:

- Might we evaluate our timelines with the objective of providing students with more time to make informed decisions?
  - Can we set 2017-18 cost of attendance budgets earlier and still closely approximate actuals once tuition, fees, and other direct charges are confirmed?
  - What can we do to more closely align the timing of admission and financial aid notifications, while striking an effective balance between earlier awards and awards that are so tentative as to be more confusing than helpful to students?
- What information and talking points will admission staff need to know so that they are prepared to respond to PPY-related questions from prospective students?
- What information about policy changes do we need to communicate to counselors at feeder high schools and access organizations?
- What is our plan for capturing benchmark data so that analysis can occur midcourse and after year one?

Optional:

- Do our current admission calendars and application processes necessitate a change for 2017-18?
- Do need analysis and packaging policies require any changes other than routine annual updates if our underlying philosophy and approach are not changing?

☐ **Establish a comprehensive implementation timeline and reporting mechanism:**

Once you have set your scope and objectives for each team, a high-level timeline can help guide the way as you implement the changes brought on by PPY. Components you may want to include in your timeline are:

- Key milestones and target dates.
- Steps to be taken in advance of these milestones.
  - Decisions to be made (and collecting the necessary information to make the decision).
  - Resources to be acquired.
  - Tasks to be completed.
- Individuals responsible for completing each task.
- Regular check-ins for project monitoring and status reporting.

Part 2: Make Key Decisions

As noted earlier, a key initial question to address — for your campus — is what will successful implementation of the early 2017-18 FAFSA and use of prior-prior year data look like? Determine first the scope of adjustments your institution needs to make to recruitment and admission processes, which will then allow you to turn your focus to broader financial aid operations that will likely require more substantial change.

Decisions related to admission calendars, activities, and processes.

In adherence to NACAC guidelines, key admission deadlines should not change as a result of the early FAFSA. Application deadlines may not be set prior to Oct. 15, and May 1 will continue to be the national decision date for regular-decision admits.

Given these NACAC ground rules, what decisions might you wish to consider if you sit in admission/enrollment departments? Below are some examples shared by members.

☐ **Recruitment and outreach:**

- Should FAFSA completion become a larger part of the recruitment message?
  - What training activities are needed to ensure that admission counselors and recruiters are prepared to respond to PPY-related questions from prospective students?
- Earlier FAFSA data provide opportunities for targeted messaging about financial aid programs as well as financing (e.g., payment plans, institutional loans).
  - Do your current communications require updating?
  - Should the “value proposition” message be strengthened?
  - Will rules need to be set or revised in your information system to trigger these messages?
  - Will you promote special scholarship programs, deposit waivers, availability of bookstore vouchers, and so forth, based on an early indication of need?
- When and how will you communicate 2017-18 changes to feeder high schools and counseling contacts?

☐ Competitive landscape:

- Will it be important to get a sense of what others in your peer set are doing, and will you change your practices in response? What could be the impact of not making changes?

☐ Scholarship awards:

- Consider how your non-need-based scholarships are currently awarded. If these awards are primarily made in conjunction with the admission process, how will those processes be affected by the possibility of earlier need-based awards?
  - Would earlier delivery of merit aid eligibility produce a larger impact?
- If you typically wait for your application period to close before evaluating the full pool for scholarship assistance, will that practice collide or be combined with the capability of assessing need-based awards earlier? Are there implications for funding?

☐ Alignment with financial aid notifications:

- In collaboration with your financial aid office, what is desirable and what is feasible in terms of more closely aligning the timing of the admission and financial aid notifications?
  - How will you strike a balance between earlier awarding with quality of award information?
- What are the implications for systems, customer service/call center support, and the like?

☐ Special populations:

- What considerations will you want or need to address for transfers, athletes, international students, others?

☐ Yield activities:

- Given the possibility of a lengthier yield period, will you add more communications and yield activities to keep students interested in your institution?

☐ Metrics, monitoring, and modeling:

- What benchmark data might you compare to 2017-18 patterns as they emerge throughout the admission cycle?
- What types of additional monitoring might you need to put in place so that you can adjust your admitted numbers throughout the cycle?
- What other contingencies will you need to establish to maximize your ability to stay on track and control enrollment outcomes?

Decisions related to financial aid operations, policies, and processes.

Financial aid offices and the students they serve will be the most directly affected by the shift to an earlier FAFSA and use of prior-prior year income information in the determination of family contributions.

> To quote a member at a recent conference:
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> "Those of us in financial aid are used to change and having to adapt. Prior-prior year is a change that presents us with an opportunity to look at everything with fresh eyes — all for the good of students."

As you consider how your campus will implement your required and desired changes, you may want to lay out your dependencies on key resources and decisions, and associated timelines. Factors and decision categories most frequently mentioned by member-colleagues include the following:

☐ Software and systems:

- When will your software provider deliver 2017-18 updates?
  - What decisions can you make and what rules can you define so that you are ready to go once the updates arrive?
  - Assuming you will wait to make awards until students are admitted, can the interfaces with admission data be set so that the status of entering applicants is ready to go once updates arrive?

☐ Verification:

- At the time of this writing, full guidance from Federal Student Aid regarding 2017-18 verification requirements was not on hand. Pending that guidance, are there ways to refine your current operations and communications to ease the verification process?
  - Might you consider a special campaign among current and prospective students to utilize the IRS Data Retrieval Tool (DRT) when filing the FAFSA?
  - Assuming that students take full advantage of the DRT — which should minimize the need to verify 2015 taxable income — one member shared that her institution will now take advantage of the current exemptions to verification: household size will not be verified when marital status and reported household size align (e.g., a dependent student's household size is reported as 3, and parents are married); number in college will not be verified when the reported number is 1.
  - Are there ways you might take this opportunity to streamline verification processes and thereby lessen the burden on students and the aid office?

☐ Need analysis:

- Will you make any changes to your need analysis policies apart from annual updates?
- What data are available to measure the cost implications of using 2015 income information for award year 2017-18?
  - » Member tip: Run analyses of your 2016-17 entering applicants to determine the relationship of 2015 incomes to 2016-17 EFCs. One approach would be to assume a similar relationship between 2015 incomes and 2017-18 EFCs; figuring your cost increases into the calculation will give you a sense of the financial need picture of students entering in 2017-18.
- For users of Institutional Methodology (IM), preserving the integrity and principles of need analysis is a top priority and guides our collective work. Efforts are focused on reducing the variability in Parental Contributions from Income that we've heard some of you anticipate with the shift to prior-prior year. Smoothing or normalizing results despite the transition to prior-prior year income is the goal. We will continue to provide updates as solutions develop further. Remember to visit the Financial Aid Services Information Center for the latest information.

☐ Awarding:

- An overarching dependency is when you will have the information you need to make awards:
  - » 2017-18 figures for direct charges (tuition, fees, room, board) so that you can build your cost of attendance budgets accordingly.
  - » Federal Pell Grant and state grant award information.
  - » Federal campus-based allocations and institutional funding levels.
- For institutional scholarships that may be handled separately from the need-based award process, does an earlier FAFSA present a greater opportunity to present the full aid eligibility picture earlier than was previously the case? If so, what decisions are needed to align those processes?
- What will be your ideal target date for releasing award notifications?
  - » If that date is missed, will you make award notifications using estimated costs of attendance and Pell/state grant awards?
  - » What will take priority: Aligning the admission and award notifications or holding need-based awards until the quality of the award information can be improved?
  - » Member tip: If your goal is to provide information earlier, you might consider awarding in "fund categories" (e.g., gift assistance, work, loans) instead of specifying individual programs. This type of approach would be similar to your setup for your net price calculator.

☐ Cost implications:

- Thinking about how you currently allocate funds — perhaps in separate buckets for new, returning, and transfer students — will you need to approach those allocations differently?
  - » What data will you need in order to make informed decisions?
- One member mentioned his concern that more early (new) applicants could "use up" the freshmen allocation more quickly and threaten how much is left for returning and transfer students.
- Another member commented that her institution is going to simulate awards to renewal students first, and then determine how much will be left for entering students.

- What are your options for reserving funds for each population of applicants, including late filers (both entering and continuing)?

☐ Appeals:

- It's possible that the two-year time lag between tax filing and the award year will increase the number of requests from families to reconsider their aid eligibility based on more recent information. Being clear about the types of special circumstances and the level of financial change typically required to receive an award increase could help to manage expectations and reduce appeals.
  - What would be the best way to convey this information clearly?
- Consider how you will manage your resources to respond to appeals, either from entering students (to improve yield) and/or from current students (to assure retention).
- Under a scenario where verification is less time-consuming because of DRT but the number of appeals grows, what do you need to be thinking about now in terms of shifts in volume and type of workload (i.e., counseling versus processing)?

☐ Current students:

- As you think holistically about opportunities to reshape your overall processes, consider how some members intend to "flip" the calendar by processing current students in the fall, instead of in spring/summer. For example, they plan to:
  - Encourage current students to file their 2017-18 FAFSAs in October, and to utilize the DRT.
  - Award current students starting in the fall, assuming they are in good standing academically and their loan levels can be determined.

  These members believe that this approach will lead to a less compressed and busy spring/summer, fewer problems with outstanding student account balances, and improvements in retention and completion.

Fulfilling the promise of an earlier FAFSA.

The only constant in financial aid is change, and financial aid practitioners are always up to the challenge of whatever comes their way. The earlier availability of financial aid award information will help students and families make more informed decisions. If the result is a closer financial fit between what the student and the institution can afford in order for both to thrive, then everyone wins.