



A Unified Approach to FAFSA Simplification Implementation for Washington Community and Technical Colleges

A Guide to Help WA CTC Presidents and Vice
Presidents Understand FAFSA Simplification and the
Path to Successful Implementation

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Executive Summary

The Free Application for Federal Student Aid (FAFSA) has undergone significant simplification through various legislative efforts, notably the FUTURE Act and the Consolidated Appropriations Acts of 2021 and 2022. These acts have changed and streamlined the application process by introducing measures such as direct income retrieval from the IRS, Pell Grant eligibility criteria adjustments, and the transition from Expected Family Contribution (EFC) to Student Aid Index (SAI). Aimed at making federal student aid more accessible, these changes represent the most substantial updates since the Reagan era, designed to ease the application process for students and families, making higher education more attainable.

Despite the intended simplification, implementing these changes has faced hurdles, including a delayed FAFSA opening and technical issues that have negatively impacted application completion rates. Low-income students and students of color are particularly affected, as evidenced by a significant drop in FAFSA submissions among Washington students. Beyond form simplification, the legislation has overhauled need analysis and policies for federal student aid programs, significantly broadening eligibility for federal aid. This is expected to increase Pell Grant eligibility among Washington students by 60%, a critical development in making higher education more accessible to underrepresented groups.

The roll-out of FAFSA simplification presents challenges, particularly for financial aid offices grappling with administrative and staffing constraints. The delays in the FAFSA Simplification process, particularly regarding the delivery of Institutional Student Information Records (ISIR), pose significant challenges for financial aid offices. Without timely access to ISIRs, the initiation of file processing becomes impossible, leading to delays in the crucial tasks of financial aid processing and award distribution. These delays threaten our ability to construct and distribute award packages to students promptly and exacerbate the pressures faced by students and our financial aid staff. Addressing this crisis will necessitate a concerted effort across campus and the entire system, underscoring the importance of community and systemic support to mitigate the adverse effects on students and ensure the continued efficacy of our financial aid operations.

These challenges are exacerbated for Washington state's community and technical colleges, which face the daunting task of adapting to new FAFSA requirements amidst resource and time constraints. This situation calls for an overhaul of technology, comprehensive staff training, and updates to institutional policies and procedures to align with the new federal student aid landscape.

Addressing these challenges necessitates a unified and collaborative approach across all sectors of educational institutions. The State Board for Community and Technical Colleges (SBCTC), the Washington State Student Services Commission (WSSSC), and the Financial Aid Council (FAC) are at the forefront of coordinating efforts to ensure a smooth transition to the simplified FAFSA process. A comprehensive action plan is being developed to guide state and college administrators through this transition, emphasizing the importance of collaboration across departments to ensure that the benefits of FAFSA simplification are fully realized. This concerted effort is vital in supporting students across Washington state as they navigate the complexities of accessing federal student aid, thereby advancing the broader goal of making higher education more accessible to all.

FAFSA Simplification Background

Applying for the Free Application for Federal Student Aid (FAFSA) has been simplified with the help of various acts. The FUTURE Act, which was enacted in December 2019, aims to streamline the application process by allowing automatic importing of income data from the IRS and eliminating specific questions. The Consolidated Appropriations Act of 2021 further amended the FAFSA process by introducing changes such as transitioning from the Expected Family Contribution (EFC) to the Student Aid Index (SAI), modifying Pell Grant eligibility criteria, and adjusting Cost of Attendance (COA) components. The Consolidated Appropriations Act of 2022 made technical corrections to the FAFSA Simplification Act, addressing implementation aspects, and providing additional guidance. The key changes include:

- Direct income retrieval
- Adjustments to Pell Grant eligibility criteria
- Replacing EFC with SAI
- Changes in aid eligibility calculations
- New requirements for cost of attendance

These changes, considered the most substantial since the Reagan era, aimed to simplify and streamline the application process, making it easier for students and families to access federal student aid.

Intended Impact on Students and Families

Changes to the Form

Millions of students and parents will benefit from the U.S. Department of Education's (ED) ongoing efforts to streamline the FAFSA experience—where applicants only see relevant questions based on their answers. Beginning with the 2024-25 academic year, the FAFSA form will have fewer questions that applicants must answer. The new form will make use of data provided directly by the IRS. Based on their circumstances, applicants can skip up to 26 questions, resulting in as few as 18 questions to answer. This represents a significant reduction from the 100+ questions that were previously required on the old form. These changes will significantly reduce the amount of time and anxiety experienced by students and their families while increasing the success rate of form completion.

Legislation Changes More than the Form

The legislation also changed the need analysis and policies and procedures for higher education institutions participating in federal student aid programs.

Noteworthy Changes

- Need analysis formula
- Definition of cost of attendance
- Rules for financial aid professionals regarding professional judgement
- Calculation of Pell Grant eligibility
- Income components
- Allowance against income
- Assets components
- Dependency status

- Definition of family size
- Independent status
- Consideration of foster care benefits
- Consideration of emergency aid assistance
- Consideration of veterans' benefits

As a result, more students will become eligible for federal student aid, which will allow them to pursue higher education. The redesigned FAFSA form is expected to help 610,000 more students from low-income backgrounds receive Pell Grants and enable 1.5 million more students to qualify for the maximum Pell Grant amount. In Washington state, approximately 24,000 students are expected to be eligible for Pell grants, representing a 60% increase from the prior year.

Effectively communicating these changes to students, families, and stakeholders presents an additional challenge for Washington community and technical colleges.

Washington state community and technical colleges play a crucial role in serving diverse student populations offering dynamic credential programs that cater to various educational needs and career paths. The colleges are accessible by design, and the variety of career and academic pathway options creates a broader student population with unique needs.

In the 2022-23 academic year, across the entire system, 159,061 students were identified as full-time degree-seeking, 67,653 received need-based aid, or approximately 42% of the population. For certain student groups, there is some significant context of proportionality of the student population and need-based aid. For Indian American/Alaska Native, Black/African American, and Hispanic/Latinx students, in each of these demographic groups more than half received need-based aid.

FAFSA Form Delayed Opening

In recent years, the FAFSA opened on October 1. The FAFSA was delayed this year and had a soft opening on December 30, 2023.

The FAFSA form is currently fully launched and open for students to apply. However, the form does include some bugs that ED is working to resolve.

According to the National College Attainment Network's FAFSA Tracker, 18.9% of Washington students in the high school class of 2024 have submitted their FAFSA. That is down -41.7% compared to the same time last academic year. It should be noted that high schools with an average higher income and a low percentage of students of color have higher completion rates, indicating that low-income and students of color are being disproportionately impacted by the roll-out.

Impact of Changes on FAFSA Processing

In preparation for the 2024–25 processing cycle, the Department of Education (ED), in December 2022, released a draft 2024-2025 FAFSA Specification Guide. This comprehensive guide consolidates all FAFSA-related processing information and guidance into a new multi-volume resource, streamlining the available information. ED initiated the release of preliminary drafts for the 2024–25 FAFSA Specifications Guide in December 2022. In late November 2023, ED transitioned to publishing the definitive versions of the volumes.

The delays in the FAFSA Simplification process, particularly regarding the delivery of ISIRs, pose significant challenges for financial aid offices. Without timely access to ISIRs, the initiation of file processing becomes impossible, leading to delays in the crucial tasks of financial aid processing and award distribution. These delays threaten our ability to construct and distribute award packages to students promptly and exacerbate the pressures faced by students and our financial aid staff. Addressing this crisis will necessitate a concerted effort across campus and the entire system, underscoring the importance of community and systemic support to mitigate the adverse effects on students and ensure the continued efficacy of our financial aid operations.

ED has continued to make updates, with the finalized ISIR Record Layout released as recently as February 16, 2024, and the latest changes released on March 8, 2024.

The latest version of the 2024-2025 FAFSA Specification Guide is available on the Department of Education's website: <https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/2023-05-31/2024-25-fafsa-specifications-guide-march-2024-update-3>

Impact of Changes on Financial Aid Staff

Nationally and locally, many financial aid offices are facing a crisis as they struggle to maintain administrative capabilities and adequately serve students, whose needs have increased since the pandemic.

A 2022 National Association of Student Financial Aid Administrators (NASFAA) survey revealed critical issues, including reduced staffing capacity (50% of financial aid offices were operating at 75% capacity for award years 2019-20 and 2020-21), significant turnover rates (difficulty filling up to 5-6 positions), concerns about administrative capability (40% lacking resources, 80% worried about future capability), and hiring challenges (86% not receiving enough qualified applications, with salary restrictions cited as a major issue). Even a smooth FAFSA simplification roll-out would have challenged most financial aid offices. Since August 2020, there has been a significant turnover rate at the financial aid director level at 64%. These critical turnovers cause a ripple effect to the efficacy and functionality of the financial aid department.

Financial aid offices are encountering several challenges in the implementation of FAFSA simplification. One significant challenge is adapting existing processes and systems to align with the updated FAFSA requirements. This involves training staff and reconfiguring internal workflows to accommodate eligibility criteria and application procedure changes. Additionally, the compressed time frame for processing FAFSA applications, especially with delayed release dates, can strain resources and increase the workload for financial aid administrators.

Changes in Pell Grant eligibility criteria, treatment of multiple family members in college, and adjustments to cost of attendance calculations necessitate updates to institutional policies and procedures. Moreover, communicating these changes effectively to students, families, and other stakeholders poses a challenge for financial aid offices.

Impact on Washington CTCs

All colleges, including Washington state community and technical colleges, face considerable challenges in implementing FAFSA simplification. Adapting existing processes and systems to align with the updated FAFSA requirements is a significant hurdle, necessitating investments in new technology, staff training, and restructuring internal workflows.

The compressed time frame for processing FAFSA applications and delayed release dates strain resources and increase the workload for financial aid professionals across community and technical colleges. Changes in Pell Grant eligibility criteria, treatment of multiple family members in college, and adjustments to cost of attendance calculations may require updates to institutional policies and procedures. Successful implementation requires meticulous planning, resource allocation, and tailored communication strategies to facilitate a seamless transition and provide continued support for students seeking financial assistance across the diverse array of institutions in the consortium.

The implementation of FAFSA simplification processing within the Washington community and technical college system is a collaborative effort involving key entities, namely the Washington Student Achievement Council (WSAC) and the SBCTC. The seamless execution of system updates relies heavily on the integral roles played by these organizations. WSAC provides vital support, ensuring that the colleges receive the necessary guidance and resources for adapting to the FAFSA changes. Simultaneously, SBCTC plays a pivotal role in coordinating efforts across the 34 individual community and technical colleges, facilitating a cohesive and standardized approach to implementation, and technical upgrades to ensure ctcLink is ready for these process changes. Their collaborative efforts not only ensure compliance with the updated FAFSA requirements but also contribute to a streamlined and efficient process, ultimately benefiting students seeking financial aid across the diverse landscape of Washington's community and technical colleges.

Impact on Summer Header and Trailers

Summer terms are either before an upcoming academic year as a “header” or after a completed academic year as a “trailer.” Simply put, summer header schools award aid for the academic year starting the summer quarter, and summer trailer award aid for the academic year beginning in the fall quarter. Therefore, schools that are summer trailers are using the 23/24 FAFSA form to award aid for summer 2024. In contrast, schools that are summer headers are using 24/25 FAFSA form to award summer 2024. The delayed FAFSA simplification process has a massive impact on summer header schools.

Of Washington's 34 community and technical colleges, 24 are header schools representing 70% of the college system: Bellevue, Bellingham, Big Bend, Cascadia, Centralia, Clark, Clover Park, Edmonds, Everett, Grays Harbor, Green River, Lake Washington, Lower Columbia, Olympic, Peninsula, Pierce Fort Steilacoom, Pierce Puyallup, Renton, Shoreline, Skagit Valley, South Puget Sound, Spokane, Spokane Falls, and, starting this summer, Walla Walla. Ten are trailer schools: Bates, Columbia Basin, Highline, North Seattle, Seattle Central, South Seattle, Tacoma, Wenatchee Valley, Whatcom, Yakima Valley.

Overall, successfully implementing FAFSA simplification requires careful planning, resource allocation, and effective communication strategies to ensure a smooth transition and continued support for students seeking financial assistance.

A Unified Approach

The collective impact of these comprehensive changes to the FAFSA process underscores a crucial narrative: the necessity of unified and collaborative efforts across all sectors of educational institutions for a seamless FAFSA simplification roll-out. This endeavor goes beyond the immediate scope of financial aid offices, requiring active engagement and partnership from all campus stakeholders—including academic departments, student services, IT support, admissions, marketing, business services, and other campus leadership. The harmonized efforts of these diverse campus partners are essential in adapting to the technical and procedural nuances of the new FAFSA requirements and in creating an ecosystem that supports students through informative communication, guidance, and assistance throughout their financial aid application process.

As educational institutions navigate this transition, integrating efforts across different departments will play a pivotal role in mitigating potential challenges that may arise from the simplification process. This includes ensuring that technology systems are aligned with new requirements, staff are adequately trained on changes, and students and families are provided with clear, accessible information and support. Moreover, this collaborative approach will help identify and address the unique needs of diverse student populations, thereby enhancing equity and access to higher education.

The collective impact of these collaborative efforts will not only facilitate a smoother transition to the simplified FAFSA process but will also set a foundation for a more student-centered approach to accessing financial aid. By working together, campus partners can ensure that the benefits of FAFSA simplification—such as increased accessibility and reduced barriers to financial aid—are fully realized, thereby supporting students in achieving their educational goals. This shared commitment to student success is the cornerstone of a successful FAFSA simplification roll-out, emphasizing the importance of unity, adaptability, and proactive planning in navigating the complexities of federal student aid.

Creation of a FAFSA Simplification Action Plan

As colleges strive to align their policies and processes with the new regulations, the importance of having a structured action plan cannot be overstated. Ideally, this plan would have been created three years ago and included not just the financial aid offices but also other campus partners. The SBCTC, WSSSC, and FAC are working on putting together a comprehensive FAFSA Simplification action plan.

The plan will serve as a roadmap for administrators, guiding them through the implementation process and facilitating the necessary adjustments to internal systems and procedures. As the institution navigates the complexities of implementing FAFSA Simplification, the plan will serve as a comprehensive guide for state and college administrators. The plan aims to facilitate a smooth transition and ensure alignment with regulatory updates by outlining specific steps and responsibilities. The plan will be released by April 1, 2024.

Conclusion

In conclusion, simplifying the FAFSA process, while designed to make federal student aid more accessible and reduce the application burden on students and families, presents a multifaceted challenge for college administrators, particularly within Washington's community and technical colleges.

To navigate this transition successfully, administrators must prioritize a comprehensive understanding of the legislative changes, the direct impact on students' eligibility and aid processes, and the operational adjustments required within their institutions. It's imperative that they actively engage in developing and implementing an action plan that encompasses technology updates, staff training, policy revisions, and effective communication strategies.

To facilitate a seamless FAFSA simplification roll-out, college administrators must foster a culture of collaboration and communication within their institutions and with external partners such as the Washington Student Achievement Council (WSAC) and SBCTC. This unified approach will enable the effective adaptation of institutional practices to the updated federal student aid landscape, ensuring that students across Washington state can access the financial support they need to pursue higher education.

Administrators must ensure clear, accessible information is readily available to students and families, particularly addressing the changes in Pell Grant eligibility, the transition from EFC to SAI, and the streamlined application process. This involves updating internal systems and processes to align with the new FAFSA requirements and working collaboratively across departments to ensure a cohesive approach to student support and guidance. Equally important is the need to address the disparities in FAFSA completion rates among different student demographics, focusing efforts on outreach and support for low-income students and students of color disproportionately affected by the transition.

Ultimately, college administrators play a crucial role in ensuring that the intended benefits of FAFSA simplification are realized. By focusing on knowledge acquisition, proactive planning, comprehensive communication, and prioritization of student-centered strategies, they can lead their institutions through the complexities of this transition. This will support the immediate needs of their student populations and contribute to the broader goal of making higher education more accessible and equitable for all students.