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February 12, 2016

The Honorable Ted Mitchell, Under Secretary
United States Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Under Secretary Mitchell:

Thank you for your January 11, 2016 response to the National Association of State Student Grant and Aid Program's (NASSGAP's) November 6, 2015 letter, expressing concern about the Department's proposal to mask the order in which students have listed their schools on their FAFSAs to state grant agencies (SGAs), and requesting to meet with you to discuss those concerns.

We regret that there was not an opportunity to meet to discuss states' concerns prior to announcing the proposed policy change. NASSGAP member states continue to have grave concerns that no longer providing this information to the states will have significant unintended consequences in terms of increased burden to and confusion among the students served by state grant programs, particularly in terms of complicating the financial aid application process and delays in grant processing, as well as the impacts to students of increased costs to states. Our members strongly believe that if the Department understands the facts regarding this proposed change's impact on state grant aid programs and the unintended consequences of randomizing the student's FAFSA school list order, it will delay or reverse implementation of the randomization process. As a result, and on behalf of our 15 impacted member states, NASSGAP respectfully requests reconsideration of this proposed policy change.

The following information is provided in response to each of the concerns outlined in your letter, which we understand from your communication are the rationale behind making this change.

- 1) The Department states a concern that students do not understand the implications relative to state aid eligibility and notification that result from their designation of institutions, and especially the order of institutional designation. However, NASSGAP is not aware of any state in which a student loses eligibility for state grants or even loses



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the student's place in the queue for funding based on the student deciding to attend a school other than the one listed first on the FAFSA (unless, of course, the student enrolls at a school that is not eligible to receive/administer state grant funds). Additionally, NASSGAP is unaware of any student who was harmed by the student's state being made aware of which school the student listed first on the FAFSA. In all of the large state grant programs where order matters (for purposes of state budget and appropriation forecasting), a student preserves their place in line for the state grant process based on the FAFSA filing date regardless of what school is listed first. If the Department has become aware of student groups who are experiencing harm or confusion as a result of the states' practices of using school order to estimate appropriations and awards, NASSGAP would very much appreciate the opportunity to learn more so we can assist these students.

- 2) Specific to the Department's concern that students taking advantage of the new early FAFSA will be more uncertain about their school choice and will be confused by being asked to rank order institutions to which they wish to send their FAFSA information, please note that the states have never asked students to rank order their schools on the FAFSA. Rather, states may use the school order information to estimate appropriations needed to fund annual grant demand, and to provide students with estimates of awards, based on states' experience that the significant majority of students list their first choice of school first on the FAFSA. A number of states encourage students to list their preferred school first on the FAFSA to increase their awareness of state grant opportunities and the accuracy of estimates of demand for state grant dollars, but there is no state that withholds state aid based on the student not attending the first school listed, and not listing the preferred school first does not directly disadvantage the student. NASSGAP member states fund and deliver a wide range of state and local college access and early awareness programs and FAFSA completion initiatives that have successfully educated students about how the school order on the FAFSA impacts state grant aid, and member states have not found that students experience any confusion in this matter. We do not agree that making the FAFSA available three months earlier than in previous years will result in students having to complete the FAFSA without knowing their preferred school of attendance.

Rather, the direct disadvantage of randomizing school order is to the states, which must then expend already limited resources to contact students to learn which specific schools they plan to attend. The result of the additional work burden on the states directly disadvantages students in terms of confusion and additional paperwork burden, as well as potentially reducing resources available for grants -- and FAFSA completion initiatives -- due to the increased cost to the states. Additionally, several states have expressed concern that the randomization will actually delay awarding and flies directly in the face of the goals of early FAFSA. To quote one member state:



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Students can submit their FAFSA as early as October now but at least in [this state] won't know if they have an award until they go out to our new system portal and self-certify which college they will be attending. Only at that point can our system determine whether or not students meet the need component of the award. This will absolutely delay our awarding process.

- 3) State grant agencies and the college access organizations they partner with are the people who are working hand-in-hand with at-risk students and low-income families to help make college accessible and affordable. We are working with them on issues such as how to qualify for the most state aid, so scrambling the order of the student's school list before providing it to states will confuse students, who won't understand why the state doesn't have their school list in order and will create additional steps for both students and state agencies as they try to update the student's chosen school. This proposed change will also greatly increase confusion among potential college students and can be expected to greatly increase call volume to guidance counselors, college financial aid offices and state grant agencies.

States have worked hard to align with the Department's and federal efforts to simplify the FAFSA and integrate the state aid process into the FAFSA process. But if the student's school list order is scrambled, the process of obtaining a state grant becomes much more complex for students. The SGA must reach out to the student to determine their actual school. Whether by mail, email, or phone, the probability of successfully communicating with the student is well less than 100% - and the communication efforts have a cost that could decrease the funding available for state student grant aid.

Further, some states have expressed concern that such outreach to students may come across as a phishing scam, decreasing the chance that the student will respond. Why would it be perceived as a phishing scam? Because the SGA will be indicating that the student listed a school preference that varies from the actual school list (bad info is a warning flag) and will be requesting that the student log in through a link in an email, or by calling a phone number, with very sensitive information potentially including a Social Security Number, user ID and password (another warning flag). As you may know, of the people getting the letters from the Office of Personnel Management telling them their information has been hacked, far less than 100% are enrolling for the protection coverage because the enrollment process asks for the SSN and other sensitive information as part of the enrollment process. Assuming similar reactions from students being asked to provide information already provided on the FAFSA, we expect that students will be reluctant to respond and that reluctance may result in their missing key deadlines or other harm to those students who most need their state grants.



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It could be economically disastrous for students if they abandon the state grant aid process and do not receive their state student grant aid because the process becomes more complicated with more school update requirements because of the proposed change. There are hundreds of thousands of students who are impacted by this proposal, so there is significant potential that such a tragedy would be very large scope.

- 4) Finally, since the Department announced last year that it would no longer share the student's FAFSA school list or the order in which an institution was placed on the list with schools, NASSGAP members have implemented a policy of not sharing the school list order information with any school if they should request it. Further, in October, we requested that ED issue a Dear Colleague Letter (DCL) explicitly prohibiting SGAs from sharing that data if institutions request it to document the prohibition of sharing if institutions persist in asking. We believe that ED issuing such a DCL can put this concern to rest.

In summary, NASSGAP is asking the Department to reverse its proposed policy change and continue sending state grant agencies the student's FAFSA school list in the student's order for the 2017-18 academic year and beyond and to issue a Dear Colleague Letter verifying that such data is private and may not be shared with institutions of higher education. The reasons for this request include:

- NASSGAP's member states have indicated no awareness of any concerns expressed by students relative to the impact on state grant aid of the order of institutions listed on the FAFSA, only those of the Department. Furthermore, we do not believe that the Department's concerns will actually come to pass.
- Scrambling the student's school list order will disrupt state grant agency budget processes in the first year of early FAFSA and is anticipated to cripple some states' ability to award early.
- The student will have to go through additional steps to confirm their school choice, adding inefficiency and confusion to the process. As a result, the Department's new process would be going backwards in terms of the progress made in the federal-state partnership to streamline access to financial aid for our neediest students. We are perplexed that the needs of the states and their resident students are not being solicited in this decision-making process, and especially to learn that the reported costs of the states, as well as associated new processes and delays for students, are not being considered subjects for discussion.

I hope this information is helpful. It is provided with intent to respond to the Department's concerns as expressed in your letter, and to clarify concerns expressed by the states. NASSGAP leadership and members continue to be available at the Department's convenience, should the Department wish to have discussion of this matter.



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As always, NASSGAP very much appreciates the Department's ongoing work to simplify and enhance students' access to the benefits of higher education, and we look forward to continued collaboration as your state partners in those efforts. You may already be aware that NASSGAP was a signatory on the multi-organization letter expressing support for early FAFSA and for Prior-Prior Year, and the states certainly stand ready to assist our students in taking advantage of the opportunities associated with those changes.

Again, thank you.

Respectfully,

Stephanie Butler
President

cc: Roberto Rodriguez, Deputy Assistant Secretary to the President, The White House
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