

“Prior-prior year” FAFSA increased aid submissions but likely not enrollment

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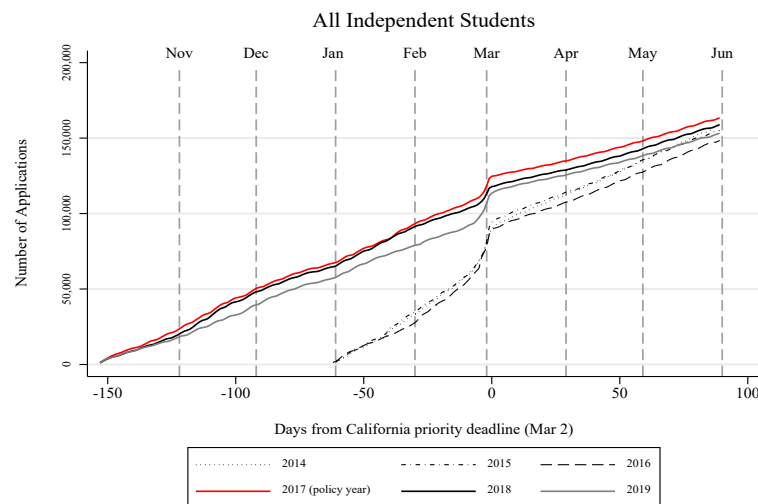
BACKGROUND: The federal government instituted two changes to the FAFSA filing process in 2017, commonly referred to as “prior-prior year” (PPY) FAFSA: (1) an earlier start date that lengthens the filing period by three months and (2) the ability to use completed taxes from the prior calendar year. According to the White House, the objective of these changes was to provide students and their families earlier information about their aid eligibility, in addition to simplifying the application by eliminating the need to go back and correct the application once taxes have been filed.

This paper used descriptive statistics to examine changes in application filing behavior in California as these changes took effect. We find that students submitted their FAFSA substantially earlier, and FAFSA refiling rates increased among independent students in the policy year. The earlier submissions did not appear to substantially alter state aid receipt or postsecondary attendance for any groups.

RESEARCH DESIGN: Given that all students in California were impacted by these changes, we conducted a descriptive analysis but cannot definitively claim a causal relationship between the policy change and student behaviors. We used a one-third random sample of FAFSA filers, examine descriptive trends in daily applications up through the summer before enrollment, and conduct a multivariate regression analysis to account for differences in the likelihood of refiling the FAFSA. We focused on typical undergraduate applicants and excluded students who: were attending graduate school; indicated they already have a bachelor’s degree; or; list an income above \$200,000.

KEY FINDINGS:

- Although the policy led Dependent students to submit their FAFSAs earlier, there is no overall change in total submissions
- The total number of FAFSA submission increased for Independent students, particularly in the year that the policy was implemented (Figure 1)





To estimate the size of these filing changes we focus on a subsample of students who had already submitted the FAFSA before PPY began, to ensure comparability to prior years, and examine their probability of refiling or enrolling in college. We find that PPY led to:

- A six percentage point (pp) increase in refiling the FAFSA for independent students, but this increase was not sustained in later years.
- Little to no change in Cal Grant receipt among refilers, suggesting that earlier submissions were not related to increased state aid eligibility.
- No evidence of any changes to postsecondary enrollment in the first two years after the policy change.
 - Results are the same when we measured enrollment via CSAC enrollment data (i.e., public college enrollment) or with a subsample of students matched to National Student Clearinghouse data.
- Results were identical for students with both low and high propensity to refile the FAFSA.

CONCLUSION: Students took advantage of PPY to complete the FAFSA earlier than in prior years, and this resulted in an increase in total submissions for Independent students in the PPY policy year. The PPY process appears to have lowered the FAFSA completion burden, even if the one-time increase in submissions did not translate into substantial changes in postsecondary enrollment in either of the next two years. Refiling the FAFSA allows students to keep their options open regardless of whether they ultimately decide to return to college. However, in terms of overall enrollment and persistence, PPY did not appear to generate meaningful improvements in college outcomes.