New Aid Officer Workshop

WELCOME TO THE CIRCUS

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Act 2: New and Next!
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Quick Review of the FADX

- New for 24-25
- Fundamentally changed how IRS information is pulled into FAFSAs
- A creation of the FUTURE Act and the FAFSA Simplification Act
  - FUTURE Act
    - Amended the Internal Revenue Code to allow for the exchange of tax information to ED
    - Defines which specific items from tax returns will be transferred
  - FAFSA Simplification
    - Describes how states and institutions can use the tax info
- New name for this type of data: FTI (Federal Tax Information)
Students and families are required to give consent for the IRS to send their data into the FAFSA.

If the student or their contributors refuse consent, the student is considered ineligible for aid.

Students and families do not have the opportunity to review the imported information during the FAFSA process.
Impact of DDX (con’t)

- Even though consent is required by all students and contributors, data exchange is not possible for all FAFSA filers
  - Example: a contributor who is now divorced, but on their prior-prior year tax return was married filing jointly
**FA DDX Impact on Aid Offices**

- Volume of students selected by ED to be verified should be much lower
  - Information imported directly into the FAFSA via the DDX is considered to be verified
- FAFSA Data and FTI are now two completely separate categories of information and fall under different laws that regulate the sharing of that data
Data Sharing

Rules related to sharing FTI are much stricter than FAFSA Data.

Aid offices are permitted to disclose FTI or FAFSA information to any contributor.

Dept of ED has promised further guidance in the near future.
Another Big 2425 Change

Reintroduction of Gainful Employment

Introduction of Financial Value Transparency

Texas Association of Student Financial Aid Administrators
Gainful Employment (GE) Why?

- Since federal funds are used to pay for educational programs, the Department wants to show that it’s money well spent.
- They know that:
  - Students take on debt to pay for school with no guaranteed outcome.
  - There should be some kind of empirical evidence that the debt has a good rate of return on investment.
Over time, ED has been especially interested in using GE rules to track debt repayment/ability to repay for the graduates of non-degree programs.

As a result, GE regulations often impact for-profit schools the most.

ED has implemented this idea in various ways:

2. **2nd attempt**: rules proposed and passed in 2014, implemented in 2015, enforcement stopped in 2017, and rules were formally rolled back again in 2019.
In 2023, ED reintroduced an updated version of GE rules.
They added a new twist that they’re calling Financial Value Transparency (FVT).

Two categories of programs:
- Gainful Employment (GE) programs
- Eligible Non-GE Programs

These regulations will officially go into effect July 1, 2024.
First reporting has been delayed from original due date of July 31, 2024 to October 1, 2024.
First student acknowledgements won’t be required until July 1, 2026.
What is a Gainful Employment Program?

- All* nondegree programs that lead to recognized credentials at public and private nonprofit institutions
- All* educational programs offered by for-profit/proprietary institutions
What is an Eligible NoGE Program?

- All* Title IV eligible programs, including degree programs, at public nonprofit, private nonprofit, and proprietary institutions.
- There are exceptions (including one big one (on the next slide)).
Neither One nor The Other

- Comprehensive Transition and Postsecondary (CTP) programs
- Prison Education Programs (PEPs)
- Post-back teacher cert programs that have no credential attached
- Preparatory coursework that student can receive DL for
- **Programs at least two AYs in length that are acceptable for full credit toward a bachelor’s degree**
The New Measures

- Debt to Earnings measure
  - Two separate data points:
    - Ratio based on debt to total annual earnings
    - Ratio looking at debt to discretionary earnings

- Earnings Premium measure
  - ED will calculate “the extent to which a graduate of a program out-earns the median annual earnings” compared to high school graduate earnings for that state
The Basic Process

1. ED sends list of completers to schools
2. School reviews, corrects, and sends back
3. ED collects earnings data from federal sources, and debt data from NSLDS
4. ED compares the school lists to the results of their calculations
5. ED sends pass/fail results to schools
Eligible non-GE programs:

- Prospective students will be required to acknowledge that they have viewed the information regarding that program’s failure to meet the D/E requirements on the side that ED provides.
- The acknowledgement will be required BEFORE the institution enrolls the student.
- Note that if one of these programs fails only the EP measure, no acknowledgement is required.
What Happens If a Program Fails?

- **GE Programs**
  - The same student acknowledgement process from the non-GE programs will be required prior to any enrollment agreement AND
  - If applicable based on ED notification, schools will be required to provide warnings to students letting them know that the program is at risk of losing Title IV funds, etc.
- For GE programs, could be either metric or both that are failed
STAYING INFORMED
FSA Handbook

- In depth look at each aspect of the financial aid process from the school's perspective
- Published each year by FSA, but not all at once
  - Sections of the handbook come out as they are prepared
  - Published in two formats—digital and PDF
- Historical versions are also available for reference

Organized into the following sections:
- Application and Verification Guide
- Student Eligibility
- School Eligibility and Operations
- Academic Calendars, COAs, and Packaging
- Processing Aid and Managing FSA Funds
- Withdrawals and R2T4
- Campus-Based Programs
- Pell Grant Program
- Direct Loan Program
- TEACH Grant Program
Other FSA Resources

- Daily and Weekly Knowledge Center Update subscriptions
- FSA Training-Learning Tracks
- FSA Training-FAFSA Simplification Center and Webinars
NASFAA is: A GREAT resource!

NASFAA is NOT:
The final authority on the regulations or how they will be enforced

Always discuss any answers you find on AskRegs with your supervisor before taking action!
Each year, NASFAA publishes self-study guides that more or less mirror the contents of the FSA Handbook.

These guides walk you through various topics broken down into smaller lessons.

Lessons include:
- helpful examples,
- notes about where more information can be found in primary sources, and
- self-check tools like quizzes, case studies, etc.
NASFAA AskRegs

Online resource provided to NASFAA members

Searchable database of questions asked by members and answered by NASFAA staff

Very useful tool when researching an issue, especially when you are unsure of which rules apply
AskRegs Tips and Tricks

- Load up on keywords
- Use first set of results as guide to narrow down
- Don’t be afraid to look at items that only look partially related—you might find a hidden gem of information
Resources


Thank You for Completing our Survey

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