



# **2010 SHEEO/NCES Network Conference and IPEDS Workshop**

**Federal Update**

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Office of Postsecondary Education



*It is our responsibility as lawmakers and educators to make this system work. But it is the responsibility of every citizen to participate in it. And so tonight, I ask every American to commit to at least one year or more of higher education or career training. This can be community college or a four-year school; vocational training or an apprenticeship. But whatever the training may be, every American will need to get more than a high school diploma. That is why we will provide the support necessary for you to complete college and meet a new goal: **by 2020, America will once again have the highest proportion of college graduates in the world.***

President Barack Obama  
February 24, 2009

# Agenda



- American Recovery and Reinvestment Act
- Loan Programs Update
- Regulatory Update
- FY 2011 Budget
- Legislation – Status
- Direct Loan Preparation
- FAFSA Simplification
- IRS Data Retrieval





# The American Recovery and Reinvestment Act (ARRA)



# ARRA



- **\$54 Billion State Fiscal Stabilization Fund**
  - Rigorous Standards and Assessments
  - Quality Teachers and Principals
  - Implement and Use Data Systems
  - Turn Around Struggling Schools
- **\$17 Billion for Pell Grants**
  - Adds \$500 to appropriated maximum Pell Grant - \$5,350 for 2009-2010
- **\$200 Million for 2009-10 Federal Work-Study**
- **\$14 Billion for American Opportunity Tax Credit**



# Loan Programs Update

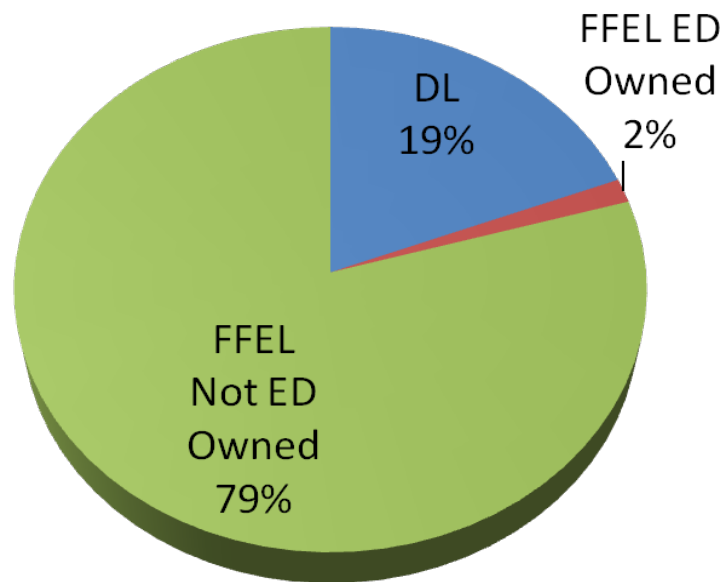


# What a Difference a Year Makes

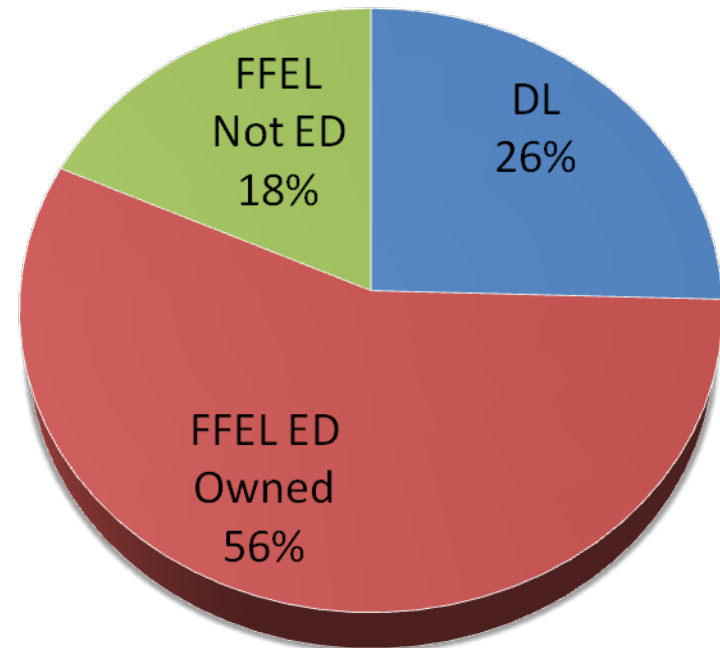


## Number of Loans

**2007-08**



**2008-09**



# DIRECT LOAN – FFEL PROGRAM STATISTICS



	2007-2008		2008-2009		2009-2010*	
	DL	FFEL	DL	FFEL	DL**	FFEL
Schools	1,228	4,659	1,743	4,515	2,434	4,147
Loans	3,317,041	13,391,109	5,418,977	15,341,695	7,733,522	12,246,067
Dollars	\$13.1 B	\$55.5 B	\$21.0 B	\$63.4 B	\$34.3B	\$61.8 B

\* 2009-2010 Partial Year and Delayed Reporting Especially for FFEL

\*\* School counted only if it had disbursed one or more Direct Loans

# 2008-09 ECASLA LOAN PURCHASE STATISTICS\*



	TOTAL FFEL LOANS MADE	FFEL LOANS SOLD TO ED	PERCENT SOLD TO ED
Loans	15,236,255	11,591,588	76.1 %
Dollars	\$61,390,583,387	\$46,252,966,517	75.3 %

\*Does not include Consolidation Loans

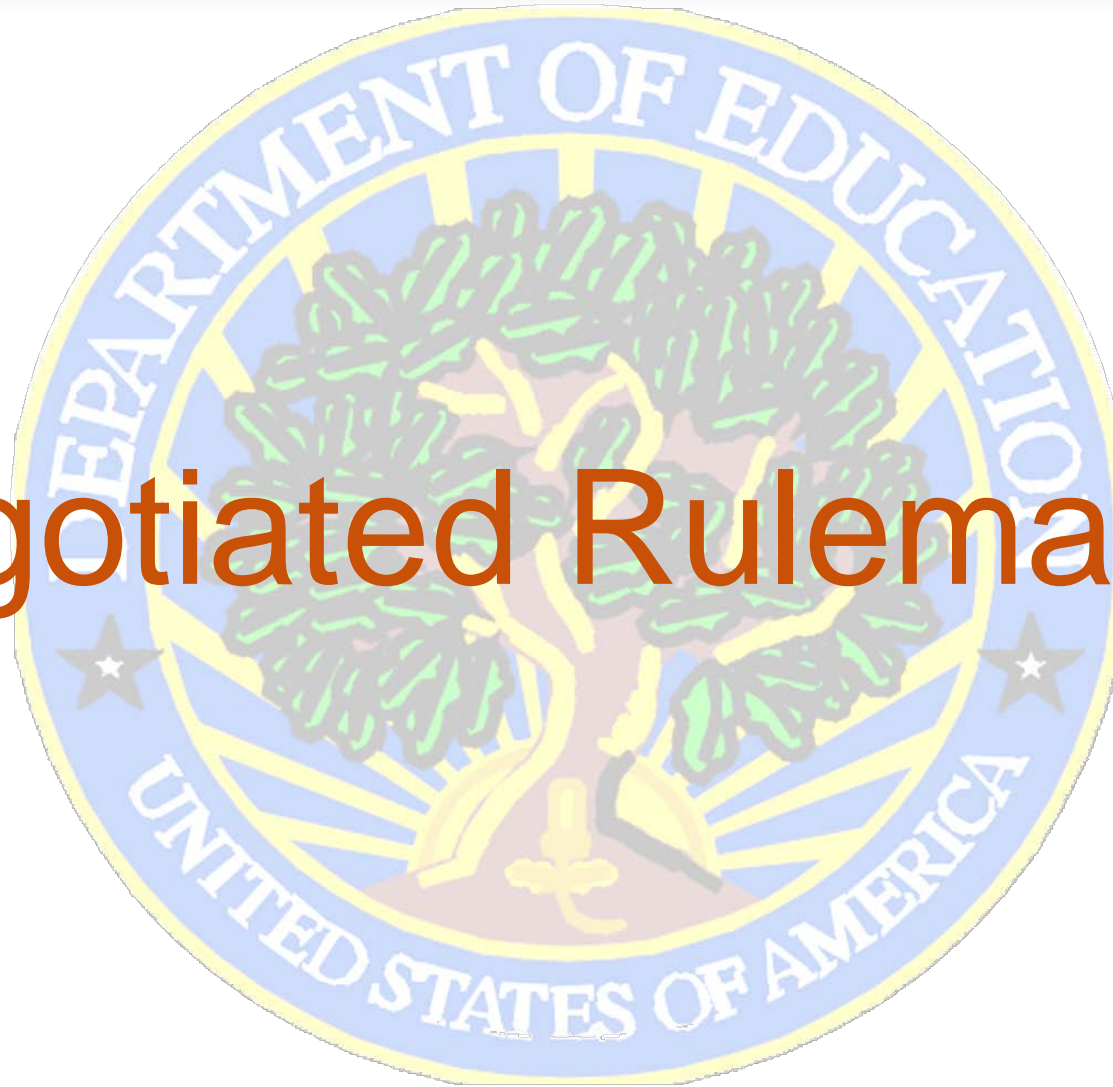
# 2008-2009 ED OWNED LOANS



	ALL LOANS MADE	DIRECT LOAN	FFEL PURCHASED BY ED	TOTAL LOANS OWNED BY ED	% OWNED BY ED
Loans	20,642,368	5,412,766	11,591,588	17,004,354	82.4 %
Dollars	\$82.1 Billion	\$20. 9 Billion	\$46. 3 Billion	\$67.2 Billion	81.8 %



# Negotiated Rulemaking



# Completed Regulatory Process



- School-based loan issues
  - NPRM published July 28, 2009
  - Comment period ended August 27, 2009
  - Final published October 28, 2009
- General and lender/guaranty agency loan issues
  - NPRM published July 23, 2009
  - Comment period ended August 24, 2009
  - Final published October 29, 2009

# Completed Regulatory Process



- Grants and other issues
  - NPRM published August 21, 2009
  - Comment period ended September 21, 2009
  - Final published October 29, 2009
- Accreditation
  - NPRM published August 6, 2009
  - Comment period ended September 8, 2009
  - Final published October 27, 2009

# Current Regulatory Process



- Two Negotiating Committees:
  - Program Integrity
    - Negotiations began November 2, 2009
    - Negotiations concluded January 29, 2010
  - Foreign Schools
    - Negotiations begin November 16, 2009
    - Negotiations concluded February 25, 2010



## Program Integrity

- Satisfactory academic progress
- Monitoring grade point averages
- Definition of a credit hour
- Verification of information included on a Free Application for Federal Student Aid (FAFSA)
- Incentive compensation
- Gainful employment in a recognized occupation
- State authorization as a component of institutional eligibility
- Misrepresentation of information provided to students and prospective students
- Definition of a high school diploma for purposes of establishing eligibility to participate in Federal student aid programs
- Ability to benefit
- Agreements between institutions of higher education
- Retaking coursework
- Term-based module programs
- Institutions required to take attendance for purposes of the Return of Title IV Funds requirements
- Timeliness and method of disbursement of Title IV funds



## Foreign Schools

- United States Generally Accepted Accounting Principles
- Compliance audits
- Definition of a foreign school
- Non-profit status for foreign schools
- Public foreign schools and financial responsibility
- Consolidation of select Title IV requirements on a countrywide basis
- Non-degree programs
- Issues specific to foreign medical schools:
  - New eligibility criteria for foreign medical schools
  - Clinical sites of foreign medical schools in other countries
  - Basic science locations of foreign medical schools in other countries
- Eligibility requirements for foreign veterinary schools
- Eligibility requirements for foreign nursing schools
- Foreign medical and veterinary schools certified separately from larger school



# Appropriations and Program Budget

# FY 2011 Budget Policy



- Mandatory Pell Grant Funding
- Additional Funding for MSIs
- Expanded Perkins Loans
- FAFSA Simplification
- American Graduation Initiative
- Community College Initiative
- Early Learning Challenge Fund
- Income-based Repayment
- Reliable, stable, secure student loan funding



# Title IV Program Budget



## Appropriations

<b>Program</b>	<b>FY 2009*</b> (AY 09-10)	<b>FY 2010</b> (AY 10-11)	<b>FY 2011**</b> (AY 11-12)
<b>Pell Grant (Max Award)</b>	<b>\$36,492,000,000</b> <b>\$5,350</b>	<b>\$26,988,100,000</b> <b>\$5,550</b>	<b>\$34,878,000,000</b> <b>\$5,710</b>
<b>FSEOG</b>	<b>\$ 757,500,000</b>	<b>\$ 757,500,000</b>	<b>\$ 757,500,000</b>
<b>FWS</b>	<b>\$ 1,180,500,000</b>	<b>\$ 980,500,000</b>	<b>\$ 980,500,000</b>
<b>Perkins</b>	<b>\$ 67,200,000</b>	<b>—</b>	<b>\$ (101,000,000)</b>
<b>LEAP</b>	<b>\$ 63,852,000</b>	<b>\$ 63,852,000</b>	<b>—</b>
<b>ACG/SMART</b>	<b>\$ 73,000,000</b>	<b>\$ 1,336,000,000</b>	<b>—</b>

\* Includes Recovery Act funding

\*\* President's FY 2011 Budget Request

# Title IV Program Budget



## Aid Available

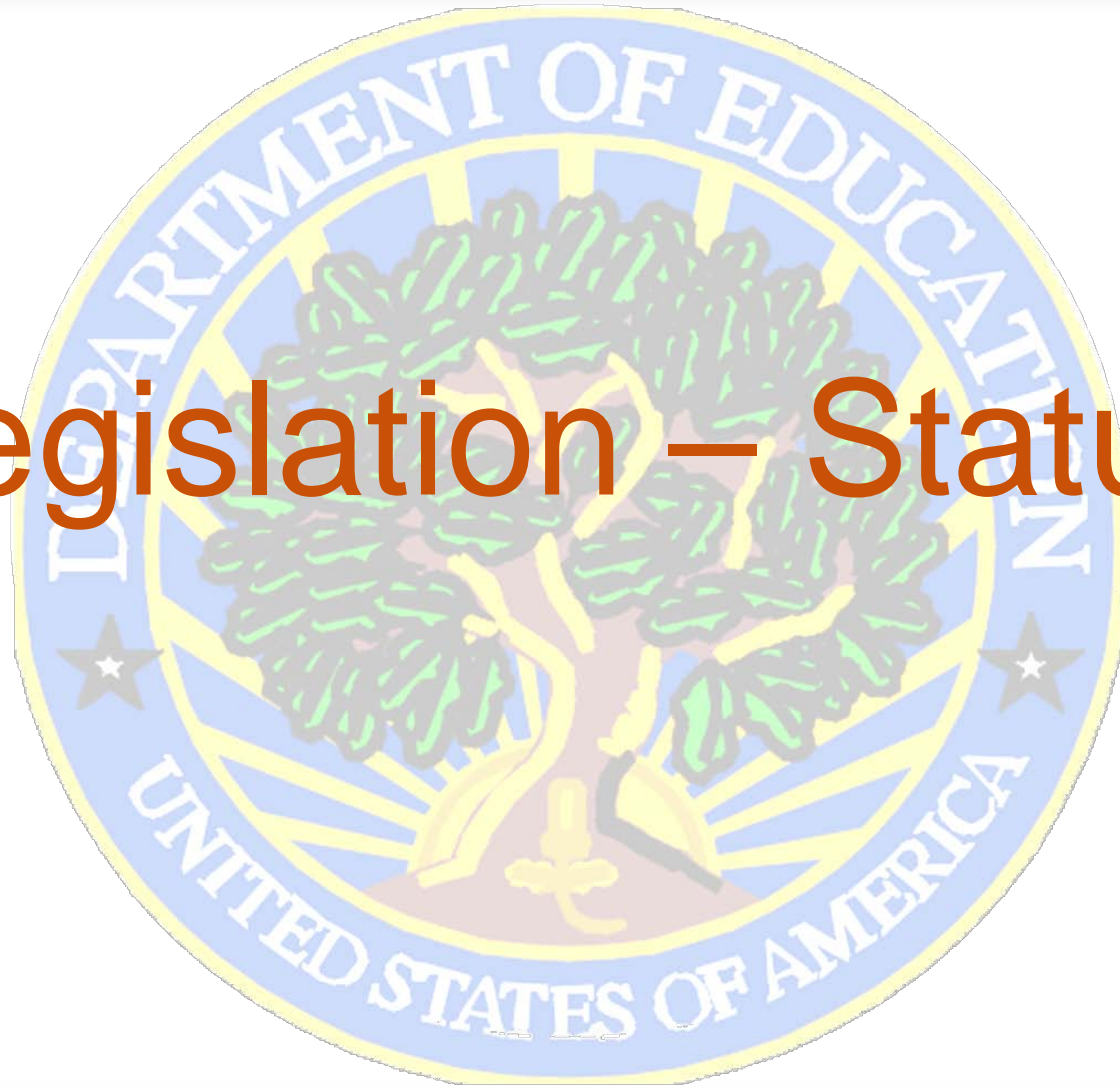
Program	FY 2009* (AY 09-10)	FY 2010 (AY 10-11)	FY 2011** (AY 11-12)
Pell Grant (Max Award)	\$ 28,213,300 \$5,350	\$ 32,295,200 \$5,550	\$ 34,834,300 \$5,710
FSEOG	\$ 958,800	\$ 958,800	\$ 958,800
FWS	\$ 1,417,300	\$ 1,170,800	\$ 1,170,800
Perkins	\$ 1,106,100	\$ 1,041,500	\$ 2,609,200
LEAP	\$ 161,555	\$ 161,555	—
ACG/SMART	\$ 864,000	\$ 932,000	—
TEACH	\$ 72,300	\$ 79,800	\$ 93,200
Loans	\$ 96,516,200	\$108,762,900	\$116,393,200
<b>TOTAL</b>	<b>\$129,309,555</b>	<b>\$145,402,555</b>	<b>\$156,059,500</b>

\* Includes Recovery Act funding

\*\* President's FY 2011 Budget Request



# Legislation – Status





- Student Aid and Fiscal Responsibility Act of 2009 (H.R. 3221)
  - Passed the House on September 16
- Reconciliation
  - Senate-Passed Health Care
  - House “Fix It” Bill (H.R. 4872)
  - Health Care and Education Reconciliation Act of 2010—P.L 111-152, March 30, 2010



- Mandatory Pell Grant Funding
- Additional Funding for MSIs
- College Access Challenge Grants
- Community College Initiative
- Income-based Repayment
- Reliable, stable, secure student loan funding



# Direct Loan Preparation





## Similar to FFEL

- Confirm eligibility
- Determine award/loan amount
- MPN needed – eMPN available
- Create and send certification/origination to lender

## • Similar to Grants

- School transmits loan origination data to COD via Common Record and same transmission as Pell Grant data

# Preparations Continue



- COD System capacity enhancements for 100% FFEL volume in progress, on time and on target
- FSA Customer Service Centers
  - Increased and trained staff
  - Monitor incoming volume
  - COD has dedicated “On Boarding Team” to assist setup completion requests and “starts”



- FSA Direct Loan Transition Team
  - Focused “On Boarding” Point of Contact Team
  - Focused School Assist Team
    - Graduate and Professional schools
    - Career Colleges
    - Small schools
    - Foreign schools



# Direct Loan Training

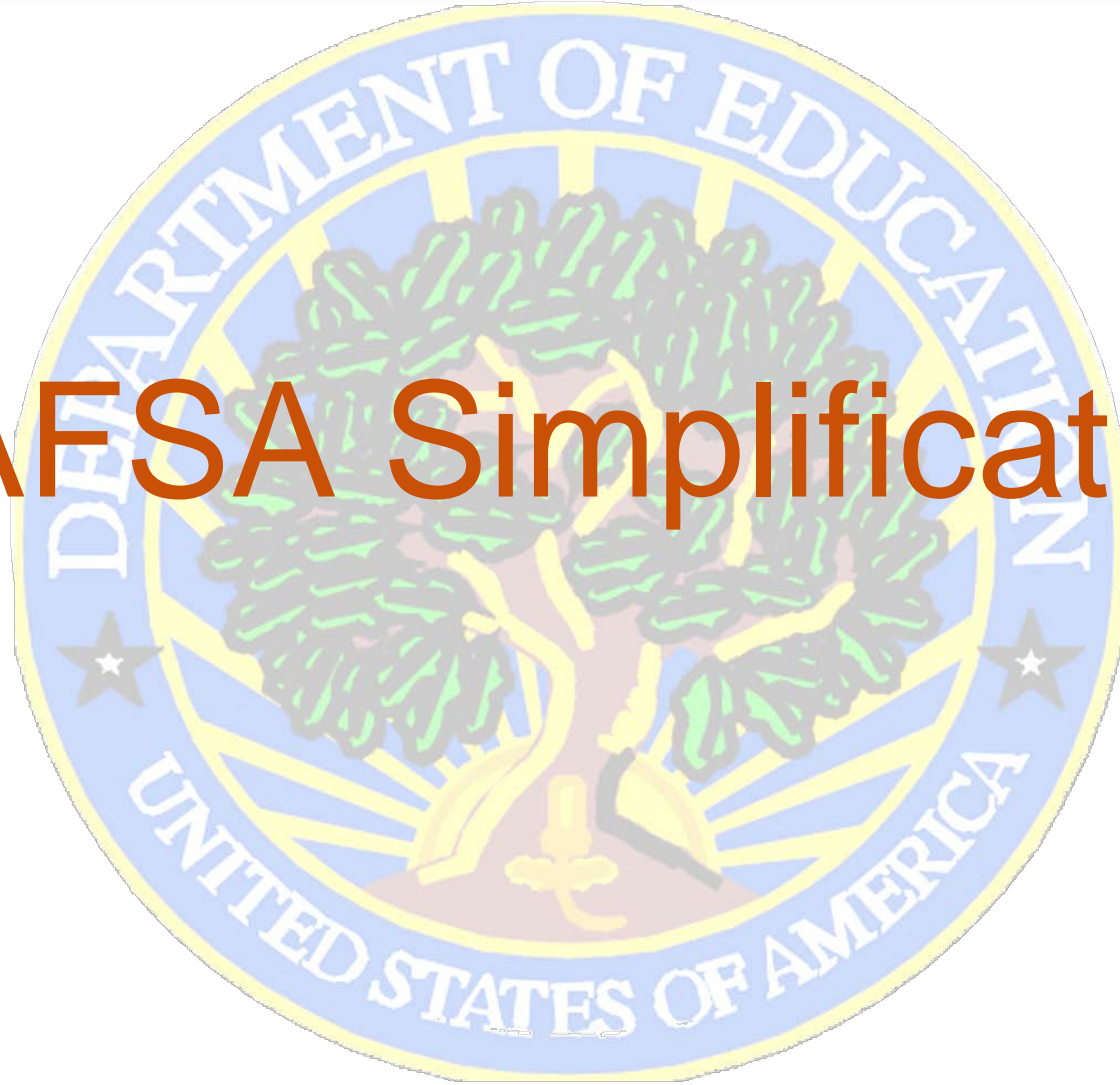


- Suite of Direct Loan webinar training
  - Began in October
    - COD Systems Primer
    - Direct Loan program Primer
    - COD & Direct Loan Program
    - Loan Reconciliation
- Will repeat Spring 2010





# FAFSA Simplification



# Technology



- 2010-11 design facilitated by technology upgrade
- Updated navigation reduces the number of pages and length of the application
- Display of help text and instructions will be enhanced by:
  - use of field instructions
  - flyover text
  - modal boxes

**START HERE GO FURTHER**  
FEDERAL STUDENT AID

**FAFSA**  
Free Application for Federal Student Aid

**STUDENT**

**Student Demographic Information**

Student Demographics | Basic Eligibility | School Selection | Parent Demographics | Financial Information | Signature & Certification | Confirmation

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Middle Initial: \_\_\_\_\_

Social Security Number: \_\_\_\_\_ DOB (mm/dd/yyyy): \_\_\_\_\_ Are you a male or female?  
 Male  Female

Permanent Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State:  Zip Code: \_\_\_\_\_

Has XXX lived at this address for more than 5 years?  
 Yes  No

XXX's permanent telephone number: \_\_\_\_\_

XXX's E-mail address: \_\_\_\_\_

What is XXX's marital status as of today?

Some states/schools need DL info? Do you want to provide this?  
 Yes  No

**Status**

**Am I eligible for student aid?**  
In order to receive federal student aid there are requirements.  
The following is a list of some of the requirements:  
You must be a United States citizen or eligible noncitizen of the United States with a valid Social Security Number;  
You must have a high school diploma or a General Education Development (GED) certificate, or pass an approved "ability to benefit" test;  
You must enroll in an eligible program as a regular student



## 2009-2010 FAFSA

**Lauren**

- 17 year old female
- U.S. citizen, no driver's license
- Not employed and plans to attend college in the fall
- Receives reduced-priced lunch at school
- Lives with both parents and at the same address for 7 years
- Parents have filed their taxes and their AGI was \$45,000



## 2010-2011 FAFSA



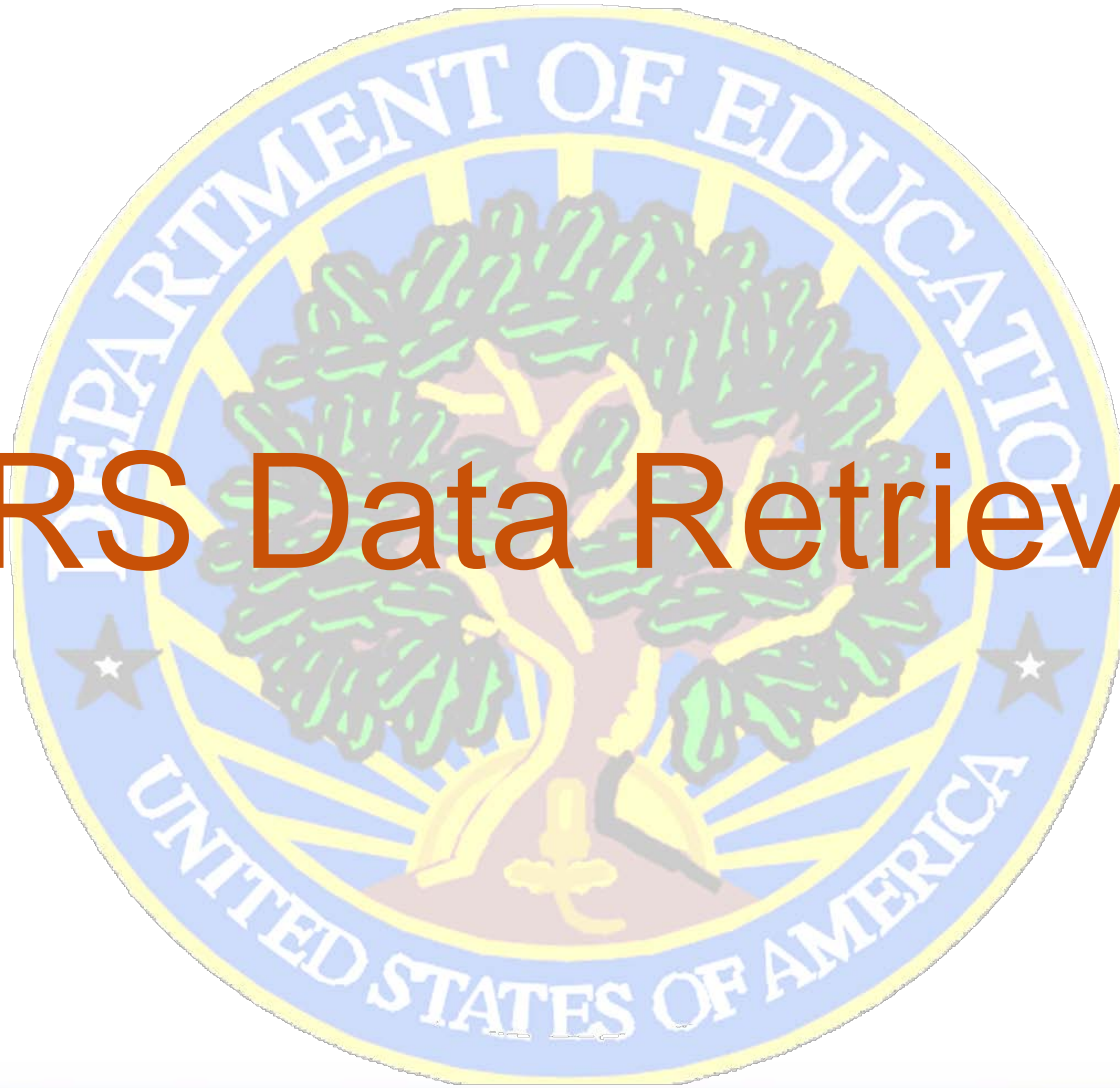
22 Questions are Eliminated  
28% Reduction in Questions Presented  
17 Web Screens are Eliminated  
65% Reduction in Web Screens



- Retention, graduation and transfer rates within FAFSA on the Web
  - When students use the school code lookup within FOTW to lists colleges on the form, they will be presented with each college's reported retention, graduation and transfer rates
  - This information will also display on the FAFSA on the Web confirmation page and SAR



# IRS Data Retrieval



# IRS-ED Concept Overview



- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) developed a collaborative solution that simplifies FAFSA completion
- Tax filer Retrieves Own Data
  - No Consent
  - Totally voluntary
- Will allow some applicants that use FAFSA on the Web to retrieve their income tax data directly from the IRS
- IRS income tax return data can be automatically transferred to FOTW

# Option to Access IRS Information



**FAFSA**  
Free Application for Federal Student Aid

[Help](#) [Contact Us](#) [FAQs](#) [Live Help](#)

- 1 Info About You (the Student)
- 2 Your Dependency Status
- 3 Your Parents' Information**
- 4 Your Finances
- 5 Schools to Receive Your Results
- 6 Preparer's Information
- 7 Review FAFSA and Apply Signatures
- 8 Submit Your FAFSA

## Your Parents' Information

### View Your IRS Information

You, the parent, may link to the IRS and view your 2008 tax information. You will also have the option to securely transfer your IRS information into this FAFSA.

#### View IRS Information [How it works](#)

Enter your PIN and click [Link To IRS](#).

Which parent are you?

What is your PIN?

[Apply For A PIN](#)

[I Forgot/Don't Know My PIN](#)

[LINK TO IRS](#)

#### Skip This Option

Click [Skip This Option](#) if you do not want to use this tool.

If your 2008 IRS tax filing status is [married filing separately](#), you filed an [amended tax return](#), or you filed a [foreign tax return](#), we recommend that you [Skip This Option](#).

[SKIP THIS OPTION](#)

[PREVIOUS](#)

[LINK TO IRS](#)

[NEED HELP?](#)

[SAVE](#)

[VIEW FAFSA SUMMARY](#)

[EXIT](#)

Applicant will have to authenticate using the FSA PIN.

# “Get My Federal Income Tax Information”



[Log Out](#) | [Help](#)

## Get My Federal Income Tax Information

See our [Privacy Notice](#) regarding our request for your personal information.

Enter the following information as it appears on your <2008> Federal Income Tax Return. [?](#)

Required fields\*

First Name*	<input type="text" value="Joe"/>
Last Name*	<input type="text" value="Smith"/>
Social Security Number*	*** - ** - 6789
Date of Birth*	<input type="text" value="01"/> / <input type="text" value="04"/> / <input type="text" value="1990"/>
Address* <a href="#">?</a> P.O. Box and/or Street Address	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
Apt. Number (Required if it appears on your tax return)	<input type="text"/>
Country*	<input type="text" value="United States"/> <a href="#">v</a>
City, Town or Post Office*	<input type="text"/>
State/U.S. Territory*	<input type="text" value="Select One"/> <a href="#">v</a>
ZIP Code*	<input type="text"/>
Filing Status*	<input type="text" value="Select One"/> <a href="#">v</a>

By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.

Applicants will have to authenticate with the IRS

# Federal Income Tax Information Provided



[Log Out](#) | [Help](#)

## Student <2008> Federal Income Tax Information

The information below is your tax information that will help you answer some of the questions on the FAFSA.

	My Tax Information	FAFSA Question Numbers
Tax Year	2008	
Name (s)	Jane Smith	
Social Security Number	***-**-6789	
Filing Status	Single	
Type of Tax Return Filed	1040	Question 34 on the FAFSA
Adjusted Gross Income	\$36,721	Question 36 on the FAFSA
Income Tax	\$3,400	Question 37 on the FAFSA
IRS Exemptions	2	Question 38 on the FAFSA
Education Credits	\$2,500	Question 46a on the FAFSA
IRA Deductions and Payments	\$2,500	Question 47b on the FAFSA
Tax-Exempt Interest Income	\$2,500	Question 47d on the FAFSA
Untaxed IRA Distributions	\$2,500	Question 47e on the FAFSA
Untaxed Pensions	\$2,500	Question 47f on the FAFSA

1040 or  
1040A

### Transfer My Tax Information into the FAFSA

- The tax information provided above will populate the answers to the appropriate FAFSA questions. After the FAFSA is populated your IRS session will end and return you to FAFSA on the Web. Check this box if you are choosing to transfer your information.

[Transfer Now](#)

- Print this page for your records before clicking the "Transfer Now" button.

### Do Not Transfer My Tax Information

- By clicking the "Log Out" button, you are choosing not to transfer your tax information electronically. You may still use this tax information to input the data into your FAFSA application. Print this page for your records before clicking the "Log Out" button.

[Log Out](#)

# Transfer Now



START HERE  
GO FURTHER  
FEDERAL STUDENT AID™

FAFSA

Free Application for Federal Student Aid

[Help](#) [Contact Us](#) [FAQs](#) [Live Help](#)

- 1 Info About You (the Student)
- 2 Your Dependency Status
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- 6 Preparer's Information
- 7 Review FAFSA and Apply Signatures
- 8 Submit Your FAFSA

## Your Parents' Information

You have successfully transferred your 2008 IRS tax information.

Your IRS tax information will display throughout the FAFSA with the notation "Transferred from the IRS".

What income tax return did your parents file or will they file for 2008 (question 83)?	Transferred from the IRS 1040
----------------------------------------------------------------------------------------	----------------------------------

If your parents have filed or will file a 1040, were they eligible to file a 1040A or 1040EZ (question 84)?

Select **Yes** if your parents filed or will file a 1040 but were eligible to file a 1040A or 1040EZ.

In general, your parents are eligible to file a 1040A or 1040EZ if they:

- Make less than \$100,000 per year,
- Do not itemize deductions,
- Do not receive income from their own business or farm,
- Do not receive self-employment income or alimony,
- Are not required to file Schedule D for capital gains.

Your parents are **not** eligible to file a 1040A or 1040EZ if they:

- Make \$100,000 or more per year,
- Itemize deductions,
- Receive income from their own business or farm,

Select

**Successful Transfer:**  
You have successfully transferred your 2008 IRS tax information

**Notation for IRS fields:**  
Transferred from the IRS



US Department of  
Education



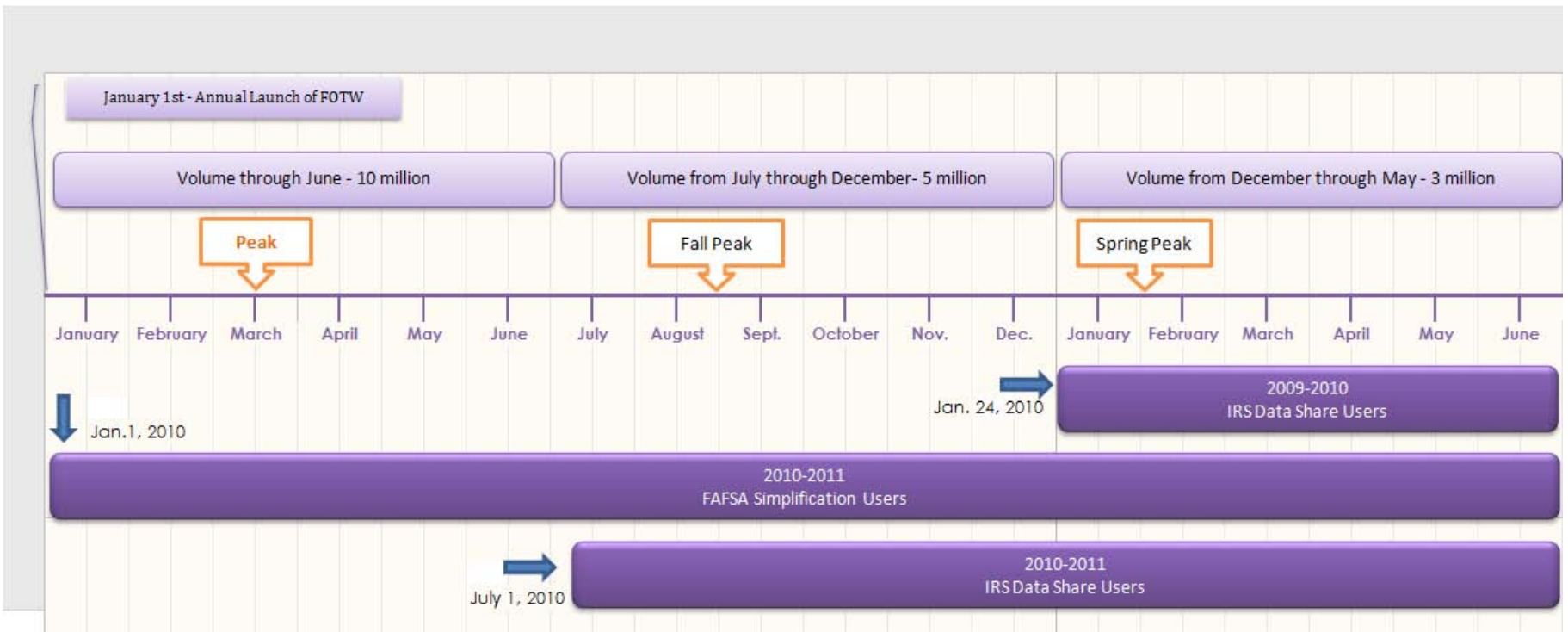
- CPS will set comment codes to indicate that student and/or parent transferred IRS data into FOTW
- Comment codes will appear in –
  - FAA Information section of the ISIR
  - Student Inquiry section of FAA Access
- Comment codes set based on certain conditions

# Enhancements Under Consideration



- Receive “Tax Filing Status” from IRS as part of data retrieval and transfer process
- Add data retrieval process to COTW
- Add Spanish language version or enable Spanish FOTW filers to use retrieval process







# Comments, Questions, Feedback, and Contact Information

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