DJA
NEW LEAF

OCTOBER 2023 NEWSLETTER

IMPORTANT DATES:

October 9
Columbus Day- DJA Open, Federal Offices Closed

October 18 (NEW DATE)
DJA Webinar
Enrollment Reporting
11:00 a.m. CDT

October 18
Happy National Financial Aid Day!

October 23
Updated SAIG Enrollment Agreement Available

October 31
Halloween

IN THIS ISSUE:

In this edition of the DJA Monthly Newsletter, we cover in depth the recent release of the Final Rule on the Financial Value Transparency and Gainful Employment Regulations. The Final Rule in many ways resembles the 2014 Prior Rule, with some key differences we have outlined. With implementation on July 1, 2024 it is important to familiarize yourself with these regulatory requirements, especially for those of you with Gainful Employment programs.

In addition to the new regulations, this past month has also brought several new updates regarding the 24/25 FAFSA Implementation. FSA released the 24/25 FAFSA Protype in September as a resource to aid industry partners in familiarizing themselves with the new application process. This resource is not a replacement for the FAFSA Web demo, but rather a tool to provide the key differences in the new 24/25 FAFSA process. FSA also provided the release date for the updated SAIG Enrollment Agreement for the SAIG-FTI Mailbox. Mark your calendars for October 23. 2023 as FSA encourages eligible institutions to complete your agreement on or as close to possible of the October release date. We also close out our Compliance Corner series on FAFSA Simplification Act Changes to covering additional responsibilities Financial Aid Administrators play in the implementation process for the redesigned 24/25 FAFSA.

October is also Cybersecurity Awareness Month, so we have dedicated part of our newsletter to providing valuable tips and tools your organization can utilize to protect against cybersecurity threats and promote good cybersecurity hygiene. Additionally, we review steps to take to strengthen your institution against a ransomware attack.

Lastly, FSA released the FY 2020 Cohort Default Rates last month and provided the National Briefing on the rates. As expected with the loan pause, the rates experienced a 100% decrease in comparison to FY 2019 and are currently at 0% versus 2.3%.

Thank you,
Deborah John, President

IN THE NEWS: FINAL RULE ON GAINFUL EMPLOYMENT RELEASED

On September 27, 2023, the U.S. Department of Education (Department) published in the Federal Register the unofficial version of its Final Rule on Financial Value Transparency and Gainful Employment. The official version was subsequently published in the Federal Register on October 10, 2023. As the rule was published in advance of the November 2023 deadline for the master calendar, it will be implemented on July 1, 2024.

The final regulations make several changes from the Negotiated Proposed Rulemaking published in May of this year. The unofficial version of the Final Rule makes reference to prior versions of the Gainful Employment Regulations published in 2011, 2014 and 2019 (which rescinded the 2014 Prior Rule). This final rule departs from the 2019 Prior Rule and partly reinstates provisions of the 2014 Prior Rule; however, there are some key differences the Department states are meant to improve the regulation. The similarities of the prior regulation and this Final Rule are that both offer various measurements designed to assess whether a program offers students a solid return on their educational investment. Additionally, the Final Rule resembles the 2014 Prior Rule by providing similar certification, reporting and disclosure requirements to offer financial transparency.

Perhaps one of the most notable differences from the prior rule is that the Final Rule adjusts the application of the Debt to Earning metric, as well as a new earnings premium measurement, to every program at every Title IV institution. While the financial value transparency framework has been widened to apply to all types of programs participating in the Title IV program, the regulations pertaining to gainful employment and determining ongoing Title IV eligibility will still only be required of educational programs designed to prepare students for gainful employment in a recognized occupation. As such, the Final Rule establishes subparts Q and S of part 668 in regard to the Student Assistance General Provisions, as well as amendments to §§ 600.10, 600.21, 668.2, 668.13, 668.43, and 668.91. Subpart Q, titled the Financial Value Transparency, provides for the financial value transparency framework changes indicated above with a goal of improving the quality and availability of information provided to students regarding the program costs, source of financial aid and outcomes of students enrolled in all Title IV programs. Subpart S, titled Gainful Employment, establishes the accountability and eligibility framework for gainful employment programs.

Financial Value Transparency Framework- Subpart Q

In general, the regulations within this framework apply to both GE and non-GE programs as mentioned above; however, there are two exceptions (which also differ from the NPRM):

- It "does not apply to institutions located in U.S. Territories or freely associated states, except that such institutions are subject to the reporting requirements in § 668.408 and the Secretary will follow the procedures in §§ 668.403(b) and (d) and 668.405(b) and (c) to calculate median debt and obtain earnings information for their GE programs and eligible non-GE program.
- For each award year it "does not apply to an institution if, over the most recently completed four award years, it offered no groups of substantially similar programs, defined as all programs in the same four-digit CIP code at an institution, with 30 or more completers."

The two metrics within the Financial Value Transparency framework that will be calculated each year by the Department of Education are the Debt to Earnings Ratio and the new to this Final Rule, Earnings Premium.

Debt to Earnings Ratio

Like the 2014 Prior Rule, there are two versions of the D/E rates that will be calculated- (1) the Annual Debt to Earning Rate and (2) the Discretionary Debt to Earning Rate.

Annual Debt to Earning Rate: Calculated by taking the Annual Loan Payment/ Median Annual Earnings
Discretionary Debt to Earnings Rate: Calculated by taking the Annual Loan Payment/(Median Annual Earnings-(1.5x Poverty Guideline))

While quite similar, there are several notable differences between the methodologies for calculating the D/E rates. We have briefly summarized those differences below:

- **Net Direct Costs:** In calculating the Annual Loan Payment, the Department will take either a 2- or 4-year cohort of qualifying graduates and determine the lesser of the total loan debt or **net direct costs** for each graduate. The application of net direct costs differs from the 2014 regulation which called to take the lesser of total loan debt or total costs assessed. Total costs assessed did not account for whether the institution provided any grants, scholarships or institutional aid to the student, whereas when calculating net direct costs under the new Rule, the amount of institutional grants or scholarship funds will be subtracted from tuition, fees, books, supplies, and equipment.
- **Annual Earnings- Intervals:** Under the 2014 rule, the Department obtained the most currently available annual earnings for the students who completed the program during the applicable cohort period and used the **earnings from that calendar year for all students in the cohort**, regardless of their specific award year of graduation. However, under the new Rule, the interval between the award year of graduation and the **calendar year for which earnings are calculated will be the same for every student**.
- **Annual Earnings- Median:** Under the 2014 rule, when determining the annual earnings metric, the Department calculated both the median and the mean annual earnings for the students who completed the program during the applicable cohort period and selected the greater value of the two to use as the denominator for both D/E rates. In contrast, under the new Rule, only the median earnings will be calculated and utilized in the final rate calculation.

Each year, the Department will determine whether a program passes the D/E rates test by referencing both metrics outlined above.

Pass: Must meet one of the following guidelines

- Annual D/E Rate is less than or equal to 8% **OR**
- Discretionary D/E Rate is less than or equal to 20 % **OR**
- The denominator of either rate is zero and the numerator is zero

Fail: Must meet both of the following guidelines

- Annual D/E Rate is greater than 8% or the denominator of the rate is zero and the numerator is positive **AND**
- Discretionary D/E Rate is greater than 20 % or the income of the denominator of the rate is negative or zero and the numerator is positive.

Earnings Premium

The Earnings Premium is a metric that will be applied to all Title IV programs (barring the exceptions listed above). This test measurement is a new addition from the 2014 Prior Rule and while it will be determined for all programs, it will only be used to determine continued Title IV eligibility for GE programs. It is important to note that even if a GE program's D/E rates are passing, the program will still lose Title eligibility if they do not pass the Earnings Premium test, which is that the Earnings Premium is positive and has exceeded the Earnings Threshold. The Earnings Threshold is a measurement not previously outlined in the NPRM. In the Final Rule, the Earnings Threshold is defined as the "median earnings for working adults aged 25–34, who either worked during the year or indicated they were unemployed when interviewed, with only a high school diploma (or recognized equivalent) (1) in the State in which the institution is located; or (2) nationally, if fewer than 50 percent of the students in the program are located in the State where the institution is located while enrolled." The Rule further states that the Earning Threshold is based on responses to "the American Community Survey who have a high school diploma or GED, but no postsecondary education, and who are in the labor force when they are interviewed, indicated by working or looking for and being available to work."

Similar to the Debt to Earning Rate, the Earning Premium will be calculated by the Department on an annual basis using the following formula:

Earnings Premium: Annual Earnings- Earnings Threshold

Each year, the Department will determine whether a program "passes" the earnings premium test in accordance with the thresholds below:

Pass: Earnings Premium is positive (i.e., Annual Earnings **exceed** the Earning Threshold)
Fail: Earnings Premium is zero or negative (i.e., Annual Earnings are equal to or less than the Earnings Threshold)

Process for Determining the Financial Value Transparency Metrics

As stated above the process for determining these metrics will be completed on an annual basis. The Department will initiate the process by compiling from each program a draft Completer List based on a combination of its own data reported for student enrollment, disbursement and program data as well as data reported by the institution. The Department will then exclude from this list any students satisfying certain specified criteria, such as those applying for loan discharge due to permanent disability or those who are deceased. Once complete, the Department will supply the draft Complete List to the institution to review and correct. The Department will also utilize a yet to be disclosed Federal Agency (Earnings Agency), to provide the "the most currently available median annual earnings of the students who completed the program during the cohort period and who are not excluded."

Once the final Completer List is compiled, it will be sent to the Earnings Agency to supply the median annual earnings for the students on the list and the number of the students who could not be matched. The Department will utilize this data to calculate both the D/E rates and the earnings premium for each program. Upon finalizing these metrics, the Department will issue a notice of determination to the institution sharing the measurements for both metrics and providing if each program is passing or failing, and the consequences of the determination.

Disclosure Website

Under the Final Rule, the Department will also establish a new disclosure website that will be annually updated to provide the D/E rates and the earnings premium for Title IV programs. The estimated completion of this site and the associated disclosure requirements for schools is indicated in the final Rule as July 1, 2026.

The Department's website will include the following information:

- the published length of the program;
- the program total enrollment during the most recently completed award year;
- the total cost of tuition, fees, books, supplies, and equipment that a student would incur for completing within the published length of the program;
- the percentage of students who received a Direct Loan, a private loan, or both for enrollment in the program;
- the program's median loan debt and median earnings;
- whether the program is programmatically accredited and the name of the accrediting agency;
- the program's debt-to-earnings rates; and
- the program's earnings premium measure.

In conjunction with the release of the Department's Disclosure website, all institutions must meet new consumer information requirements:

- provide a "prominent link to, and any other needed information to access," the Department's disclosure website on "any web page containing academic, cost, financial aid, or admissions information about the program or institution."
- "provide the relevant information to access the website maintained by the Secretary to any prospective student, or a third party acting on behalf of the prospective student, before the prospective student signs an enrollment agreement, completes registration, or makes a financial commitment to the institution."
- "provide the relevant information to access the website maintained by the Secretary to any enrolled title IV, HEA recipient prior to the start date of the first payment period associated with each subsequent award year in which the student continues enrollment at the institution."

If a program has failing D/E rates under the financial value transparency framework, the institution will be notified that student acknowledgements are required prior to signing an enrollment agreement. Whereas the NPRM included all programs within this requirement, the Final Rule has modified the requirements to exclude undergraduate programs. Please keep in mind that certificate programs and graduate programs are still covered under this provision. Implementation of these acknowledgements will be set for July 1, 2026.

- Prospective students must acknowledge they have viewed the program's information on the Department's disclosure website. The viewing and acknowledgment process will be completed on the Department's website.
- Although the process is completed on the Department website, institutions will be required to check that students have completed the acknowledgement prior to initiating the enrollment process.

Reporting Requirements

In order to calculate the metrics within these regulations, the Department will reply on institutional reporting to supply the data. Under the Final Rule, all institutions will be required to report to the Department each award year an abundance of data elements for their Title IV programs, regardless of GE status. The Federal Register publication of the Final Rule cites that the primary costs of these updated federal regulations are "the additional reporting required by institutions and the time for students to acknowledge having seen the program information website". From a perspective partnering with many institutions in the private sector, I would argue there are far greater costs at stake in terms of loss of eligibility of valuable education programs unable to meet these extraordinary standards. However, let's review the reporting obligations outlined under the Final Rule. As CECU shared in their webinar, "Overview of the Biden Administration's Final Rule on Gainful Employment", the reporting requirements fall into basically three categories: General Program Reporting, General Student Reporting and Completed/Withdrawn Student Reporting. In addition to the expectations within those categories, the Department leaves an open-ended statement that they retain the right to collect "any other information the Secretary requires an institution to report." **The first batch of reporting will be required to be submitted no later than July 31, 2024, including data for award years 17/18 through 22/23.**

Gainful Employment- Subpart S

In Subpart S, the metrics outlined in Subpart Q for the Financial Value Transparency Framework are utilized to determine whether a gainful employment program remains eligible for Title IV participation. The accountability framework outlined in this subpart is specific to career training programs, also referred to as gainful employment programs or GE programs.

Eligibility Criteria

The GE eligibility criteria are "used to identify those programs that prepare students for gainful employment in a recognized occupation, as that language is used in the HEA, and they tie program eligibility to whether GE programs provide education and training to their title IV, HEA students that lead to earnings beyond those of high school graduates and sufficient to allow students to repay their student loans." As a condition of continued participation in the Title IV programs, an institution must certify that each GE program is, ""is approved by a recognized accrediting agency or is otherwise included in the institution's accreditation by its recognized accrediting agency, or, if the institution is a public postsecondary vocational institution, the program is approved by a recognized State agency for the approval of public postsecondary vocational education in lieu of accreditation." For existing GE programs, institutions will be required to submit this certification by December 31, 2024.

Eligibility Thresholds

Under the Final Rule, a GE program becomes ineligible for FSA funding if either of the following occur:

i. fails the D/E rates test in two out of any three consecutive award years for which the program's D/E rates are calculated, **OR**
ii. fails the earnings premium test in two out of any three consecutive award years for which the program's earnings premium is calculated.

Similar to prior GE rules, a GE program cannot be considered passing if either metric is not calculated for a given year. Instead those metrics would produce a "no result" and the status would remain the same as calculated under previous years.

Challenges, Appeals and Student Warnings

Under the final rule, there is not an opportunity for institutions to challenge the debt data utilized in the D/E calculation or to conduct an alternate earnings appeal. The only reason an institution may challenge is to appeal the accuracy of the calculation for either the D/E or earnings premium metric. This challenge can ONLY be initiated when the Department begins the process to terminate program eligibility. A failing program can not seek to reestablish eligibility until three years following the date the program loses eligibility or the date the institution voluntarily discontinued a failing program.

Similar to prior GE versions, an institution is required to provide a warning to current and prospective students if its GE program could become ineligible in the next award year for which D/E rates or the earnings premium are calculated. Under the Final Rule, an institution will be required to provide these warnings if the GE program fails even a single year as a single failure could place a GE program one year away from potentially losing it's eligibility. FSA aid will not be able to be disbursed until the student has reviewed the acknowledgment on the Department's website.

The timeline of these warnings differs depending on whether the student is a current student or a prospective student. For current students, the warning must be issued no later than 30 days after the date of the notice of determination of failure. For prospective students, the student must be notified and then an institution must wait three business days to enroll, register or enter a financial commitment with that student into the GE program.

Sources:
Final Regulations Federal Register October 10, 2023: Financial Value Transparency and Gainful Employment
CECU Webinar- Overview of the Gainful Employment Final Rule Must be a member to access

FY 2020 OFFICIAL COHORT DEFAULT RATES RELEASED AND THE NATIONAL DEFAULT RATE BRIEFING

On September 25, 2023, USDE distributed the FY 2020 official cohort default rate (CDR) notification packages and accompanying documentation via the Student Aid Internet Gateway (SAIG) to all eligible schools. Institution's will NOT receive a FY 2020 Official CDR notification page if the school did not have a borrower in repayment, during the current or any of the past cohort default rate periods. Additionally, schools not enrolled in eCDR will not receive an eCDR notification package. Schools may download their cohort default rate and accompanying Loan Record Detail Reports from the National Student Loan Data System (NSLDS®) via the NSLDS Professional Access website. The period for appealing the FY 2020 official CDR under 34 C.F.R Part 668, Subpart N began on Thursday, Oct. 5, 2023, for all schools.

The National Default Rate Briefing for the FY 2020 official cohort default rates was provided on September 29, 2023. As expected, FY 2020 cohort default rates were significantly impacted by the pause on federal student loan payments that began March 13, 2020. During the pause, borrowers with ED-held student loans were not required to make any payments, and no borrowers with ED-held loans entered default. Fewer than 200 borrowers with non-ED-held FFEL loans entered default because those loans were not eligible for the payment pause.

Some schools have a small number of student loan borrowers entering repayment. At other schools, only a small portion of the student body takes out student loans. In such cases, the cohort default rate should be interpreted with caution. For the PDF briefing, visit the electronic announcement linked below.

Sources:
Electronic Announcement: FY 2020 Official Cohort Default Rates Released
Electronic Announcement: National Briefing on the FY 2020 CDR

UPDATED SAIG ENROLLMENT AGREEMENTS COMING SOON

As explained in the May 12, 2023, Electronic Announcement, modifications to the SAIG related to the transmission of federal tax information (FTI) are necessary. Beginning with the 2024–25 award year, every partner enrolled to receive ISIRs will be required to sign an updated SAIG enrollment agreement, enroll for a new FTI-SAIG mailbox, and install upgraded SAIG software to continue receiving ISIR data. In an Electronic Announcement released last month, FSA provided the official release date of the updated SAIG Enrollment agreement to be October 23, 2023. The updated agreement will be available on the SAIG Enrollment website and requires compliance with the protection of FTI provided to FSA partners by the U.S. Department of Education (the Department), including return information obtained in support of the administration of the federal student aid programs. The updated agreement includes an acknowledgement of the criminal and civil penalties for the unauthorized inspection or disclosure of FTI.

To receive ISIR data in a new FTI-SAIG mailbox, an eligible organization must first sign and submit the updated SAIG enrollment agreement. Detailed information about who is required to sign the agreement—and the process to complete enrollment for the FTI-SAIG mailbox and 2024–25 ISIR service—is included within the e-announcement. The DPA who manages the ISIR service must sign the updated enrollment agreement, as well as the organization's Primary DPA (PDPA), if it is a different person. In addition, the organization's Authorized Official (President/CEO or Designee) must sign. The completed and signed signature pages must be submitted to CPS/SAIG Technical Support via email, fax, or postal mail. After an anticipated processing time of 10 business days, the 2024–25 ISIR service will be added to the organization's FTI-SAIG mailbox. The Department strongly encourages all eligible organizations to sign the updated agreement as soon as possible on or after the October 23rd release date.

In addition to signing the updated SAIG Enrollment Agreement, eligible organizations will need to download the upgraded FTI- SAIG software. Initially released in a May 30, 2023, Electronic Announcement, FSA provided preliminary information for SAIG software users about upgraded software that will be required for transmission of federal tax information (FTI) for the 2024–25 award year and beyond. New versions of EDconnect, TDClient, and TDCommunityManager (TDCM), to be released later this fall, must be installed to receive 2024–25 ISIR data in a new FTI-SAIG mailbox. A more recent electronic announcement published last month, indicates the updated versions of EDconnect, TDClient, and TDCM align with the requirements of the FTI-SAIG and have been designed with enhanced functionalities and improved security measures. Both EDconnect and TDClient will be compatible with both instances of the SAIG, allowing users to use one version of the software for all data transmission needs. Additionally, a new instance of TDCM, known as FTI-TDCM, will be introduced specifically for FTI users. This specialized version will cater to the unique requirements of FTI data transmission.

The upgraded FTI-SAIG software will be available later this fall on the Software and Other Tools page on the Knowledge Center website. Comprehensive user documentation will also be available to assist with the installation process and understanding how to use the new software. Once available to download, FSA will publish an Electronic Announcement on the Knowledge Center website.

Sources:
Electronic Announcement: Updated SAIG Enrollment Agreement and FAQ
Electronic Announcement:

24/25 FAFSA PROTYPE RELEASED

In a recent Electronic Announcement, FSA announced a 2024–25 FAFSA prototype is now available for use. The goal of the prototype is to provide financial aid administrators and other stakeholders an advance opportunity to gain a deeper understanding of the FAFSA user experience ahead of its release. It is not a complete replica of the 2024–25 FAFSA form that will be available on fafsa.gov. Instead, it is a web-based design tool that allows users to navigate specific scenarios that many 2024–25 applicants will encounter on the live website. The community can use this tool to prepare staff and college access professionals for the upcoming FAFSA launch.

The specific scenarios that the FAFSA prototype demonstrates are —

- Initiating a new application as a student or parent,
- Completing an in-progress application as a student, parent, or spouse, and
- Common corrections scenarios, including missing critical data elements or signatures, and voluntary corrections.

This prototype has limited functionality and may not represent the final FAFSA experience. For example, since the prototype does not maintain a database, data cannot be stored or submitted. There are no simulated interfaces with systems internal or external to Federal Student Aid. In addition, while the prototype contains parameters allowing users to enter data and walk through the form, it does not include certain FAFSA functionality, such as a Student Aid Index calculation, field and page edits, or validation of data, that are characteristic of the FAFSA website. It should also be noted that the prototype is not an early release of the Web Demo site. It should instead be used as a tool to better understand the different experience 24-25 applicants may have.

Sources:
Electronic Announcement**:** 2024-25 FAFSA Protype is Released
2024-2025 FAFSA Protype: https://fsapartners.ed.gov/fafsa-prototype/2425
Access Code: prototype2425

OCTOBER IS CYBERSECURITY AWARENESS MONTH

In FSA's monthly Cybersecurity Newsletter, they announced that October is Cybersecurity Awareness Month. The recognition began in 2004 when the National Cybersecurity Alliance (NCA) and the U.S. Department of Homeland Security made the declaration. As the digital world continues to evolve, so does the importance of cybersecurity. The newsletter highlights three solutions institutions and digital users can enact to improve your school's online safety.

1) Enable Multifactor Authentication (MFA)- as an institution participating in the Title IV programs, MFA is now a requirement under the Safeguards Rule within the Gramm Leach Bliley Act (GLBA). MFA requires users to prove their identity in multiple ways. In addition to entering a username and password, users must prove their identity by acknowledging the logon attempt on an authenticator app, entering a code, or using facial ID. MFA provides an added layer of cyber defenses by making it difficult for hackers to access accounts, even if a password is stolen. Enabling MFA on all accounts and systems that allow it can protect individuals and organizations from potential breaches.
2) Protect your network from a Ransomware attack. Ransomware is malicious software designed by cybercriminals to deny a user or organization access to their data. If your system is infected with ransomware, stay calm, shut off networks and systems to limit spread. Additionally, it is recommended you apply the following tips and practices to avoid an attack (provided through the Stop Ransomware campaign)
    a. Promote good cyber hygiene habits in order to keep your network healthy. Examples would be to enact a clean desk policy to ensure PII is removed when the desk space is vacated, conduct regular vulnerability scanning to identify and address vulnerabilities.

   b. Maintain offline, encrypted backups of data and regularly test your backups. Educate your team that these backups exist so they know the ransomware threat can be managed by restoring databases pulled from the offline backup.
   c. Don't be afraid to report ransomware attacks. When in doubt, it is best to get in front of a ransomware attack and engage federal authorities for technical assistance.
   d. Stay current with regular patch releases and update software and operating systems once received. Delaying or ignoring a software patch could be just the opening a cybercriminal needs to stage a ransomware attack.

3) In addition to staying current with regular software patches, organizations should stay current with all software updates. According to the NCA, two out of five respondents report "sometimes," "rarely," or "never" downloading software updates. Software weaknesses are exploited by hackers and can lead to breaches and exposure of sensitive information.

For more cybersecurity resources, visit the NCA website and their coverage on the Cybersecurity Awareness Month.

COMPLIANCE CORNER

FAFSA SIMPLIFICATION ACT: THE FAA ROLE IN FAFSA SIMPLIFICATION- PART 2

Over the past several months, we have dedicated the *Compliance Corner* to preparing for the significant changes scheduled for implementation under the FAFSA Simplification Act. If you missed out on our previous articles in this series, we have summarized the key points and provided links below:

- June 2023 *Compliance Corner*: Reviews the steps your institution will need to take to secure and handle the Federal Tax Information (FTI) that will be disclosed directly from the IRS through the FUTURE Act Direct Data Exchange (FA-DDX). Starting with the 24/25 FAFSA, contributors will be provided the opportunity to consent to have their FTI released from the IRS to populate their application.
- July 2023 *Compliance Corner*: Focuses on the phased implementation that has been implemented for the 23/24 Award Year and strategies to stay in compliance with these new regulatory standards.
- August 2023 *Compliance Corner*: Summarizes the recently published Dear Colleague GEN-23-11 by reviewing how aid will be awarded using the Student Aid Index (SAI) in the 24/25 Award Year. While the formula for determining need remains the same, the elements within that formula have been replaced, notably the Expected Family Contribution (EFC) has been replaced with SAI and then Estimated Financial Assistance (EFA) has been replaced with Other Financial Assistance (OFA).
- September 2023 *Compliance Corner*: Provides Part 1 of the role Financial Aid Administrator's (FAA's) will need to play throughout the FAFSA Simplification process to ensure successful implementation. With this being the most comprehensive redesign of the FAFSA form in 40 years, the changes are many and financial aid offices must understand and plan effectively for the impact these changes will bring.

In today's edition, we will continue our conversation on the role Financial Aid Administrator's (FAA's) will need to play throughout the FAFSA Simplification. Last month we reviewed how the packaging process will be affected, as well as the system changes that will occur. Those are both action items that directly affect the financial aid office; however, the overall of the 24-25 FAFSA will impact other areas of your institution as well. As previously stated, collaboration will be key to the success of this implementation. The first step is to establish other key stakeholders within your institution, as well as outside of your institution, that will be affected by these changes. In FSA's training on the FAA Role in FAFSA Simplification, they pinpoint important collaborators beyond the financial aid office:

- Admission and Recruitment Staff
- High School Counselors
- College Access Counselors (i.e. college advisors, professional/trained mentors, career advisors etc.)
- Senior Leadership
- Technical Staff

While FSA has provided early awareness outreach campaigns, in addition to implementing public awareness campaigns, it is the role of the FAA to ensure the message has reached your collaborative partners.

Admission and Recruitment Staff: You might consider scheduling some dedicated training to educate this team on the FAFSA Simplification changes. As recruitment staff are often on the front lines communicating with potential students at recruitment events, high school nights etc. it is imperative they feel confident to speak on the topic and can accurately share with students some of the critical changes that may affect the application process.

High School Counselors and College Access Counselors: Counselors are often a key point of contact for potential students and directing them to your institution as a higher education opportunity. A great resource to share with this partner would be the Federal Student Aid webinars, specifically those focused on the FAFSA updates. https://fsatraining.ed.gov/course/view.php?id=107&section=8.

Senior Leadership: As the FAA within your institution, you are in the role most privy to the importance of the FAFSA changes that are forthcoming. It is important that you share the potential impact these statutory changes may have on your department's resources. . In mid-April, Rich Cordray, the Chief Operating Officer at Federal Student Aid, sent a letter by e-mail to school presidents, chancellors and chief executive officers urging senior leaders to think about the potential need for more institutional resources and to provide adequate training for staff across all of the affected offices. Additionally, the letter mentioned that an increased number of students might be determined to be eligible for federal aid programs and that could require more staffing. Lastly, the letter explained that due to all system changes, institutions may need more resources to accommodate software and security updates. If your FA office is not actively involved in these decisions, it might be the time to advocate for your inclusion based on this systematic overhaul.

Technical Staff: As stated earlier in this newsletter, the program changes call for several software updates, as well as increased cybersecurity measures to protect FTI. FSA began software vendor training sessions on a regular basis starting back in July of 2022. In addition to the changes in the ISIR Processing and Aid Packaging, technical staff should be made aware of the changes needing to be made to student communications and consumer information reporting provided and available on your institution's website. While technology can increase efficiencies and productivity, I am sure we all have experienced the havoc that can be wreaked when the technologies do not align with the needs of your office. Ensuring collaboration is taking place now with the technical team will provide for a smoother transition come December's launch date.

The role of the FAA in this launch is important because you are essentially the driver of its success at the institutional level. Ensuring collaborative efforts are made to bring in all key players also shares that responsibility with other key stakeholders.

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

Enrollment Reporting- Wednesday, October 18, 2023 11 a.m. CST (NEW DATE)

NOTE: There may be a difference between DJA local time and your time zone. To determine your time zone equivalent, click on this link to view a time zone map: http://www.worldtimezone.com/time-usa12.php

Webinars are free to clients, as well as our newsletter recipients. Invitations are automatically sent to all clients, however if you do not receive an invitation, email Lynessa Roberts at lroberts@gotodja.com. After registering, you will receive the log-in information. If you would like to attend a webinar and are not a DJA client, please email Lynessa and she will ensure you receive an invite to register. Questions can be directed to Lynessa by email or by calling toll free at 1-800-242-0977.

2023 DJA WEBINAR SCHEDULE

OCT 18	Enrollment Reporting Using NSLDS
NOV 1	Program Integrity (Audits, Program Review)
DEC 6	1098-T Reporting

FSA FALL WEBINAR SERIES

FSA has one remaining FSA Fall Webinar scheduled with the topic to be reviewed as Satisfactory Academic Progress Essentials.

Refer to the Dear Colleague for more information about each webinar, including instructions to add reminders to your calendar for the sessions that you would like to attend. These webinars will be scheduled Wednesdays from 1-3 pm ET.

NOV 8 SAP Essentials

Conference Schedule

2023 AMERICAN ASSOCIATION OF COSMETOLOGY SCHOOLS
OCTOBER 13-14, 2023

Please visit us at Booth #311-We have some gift card giveaways to win!

The 2023 AACS Annual Conference kicks off in Houston with a welcome reception on Thursday, October 12, at 6:00 PM and continues through the final keynote speaker on Saturday, October 14, at 5:00 PM. It is a challenging year for this regulated industry with the final gainful employment rule looming on the horizon, so this year's Annual Conference is a must attend event. From business networking to industry best practices, to the most recent updates regarding gainful employment and BDR litigation, there will be sessions of interest for everyone on your school's leadership team. DJA will be an exhibitor at this conference and would love to connect your team to discuss the advantages of partnering with our team on financial aid processing.

2023 FEDERAL STUDENT AID (FSA) TRAINING CONFERENCE GOING VIRTUAL
November 28- December 1, 2023

There will be keynote addresses from U.S. Department of Education leadership, five general sessions, 23 breakout sessions (covering the latest in financial aid policy and operational updates), and nine Virtual Exhibit Hall stations.

The 2023 Virtual Federal Student Aid Training Conference agendas and session descriptions are located on the FSA Training portion of the FSA Partners website. Registration is also now open! Instructions for registrations were provided in an Electronic Announcement last month.

Disclaimer: The information presented in this Newsletter is provided as a service and represents our best efforts to assist institutions with federal student aid regulations. We have collected information we believe to be important in finding and obtaining the resources for administering federal student aid; however, we assume no liability for the use of this information. The information in this newsletter does not constitute, and should not be construed as, legal advice.