MARCH 2024 NEWSLETTER

IMPORTANT DATES:

April 3
DJA Webinar: Satisfactory Academic Progress

April 22 & 24
DJA Annual Conference

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- Delay to FVT/GE Reporting Requirements
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While it is said that March often comes in like a lion and out like a lamb, I would have to say this past month has not been indicative of that common phrase. Instead we entered the month with unpredictability and have ended the month on the same note. Last month, we expected March to bring the much anticipated release of the 24/25 ISIRs and had high hopes that by month's end the long awaited ability to package would be well underway. Instead the ISIR delivery has been wrought with issues producing even further delays and a continued reinforcement of mistrust among higher education institutions and industry partners.

In this newsletter, we provide a summary of all updates provided in the month of March in regards to the 24/25 award year, focusing specifically on the release of the 24/25 ISIR and the issues discovered by Department following the delivery to schools. We also review the delayed implementation timeline for the Financial Value Transparency and Gainful Employment reporting requirements. Initially established for July 31, 2024, FSA released an EA pushing that timeline back to October 1, 2024. FSA also published a Dear Colleague providing the first regulatory guidance on the FVT/GE regulations since the passing of the final regulations this past fall. Additionally, we cover the final spending bill signed by President Biden preventing a government shutdown and funding the federal government through September 2024.

We have also shared valuable resources provided by FSA and a refresh on the regulatory requirements for cybersecurity compliance. We encourage you to visit our Compliance Corner to review and visit the provided resources.

We appreciate the opportunity to keep your institution informed.

Thank you,
Renee Ford, Vice President

JUST RELEASED: MARCH ENDS WITH AN FSA RELEASE OF ANOTHER ISIR ERROR, THIS ONE CONCERNING THE IRS TAX DATA BEING REPORTED

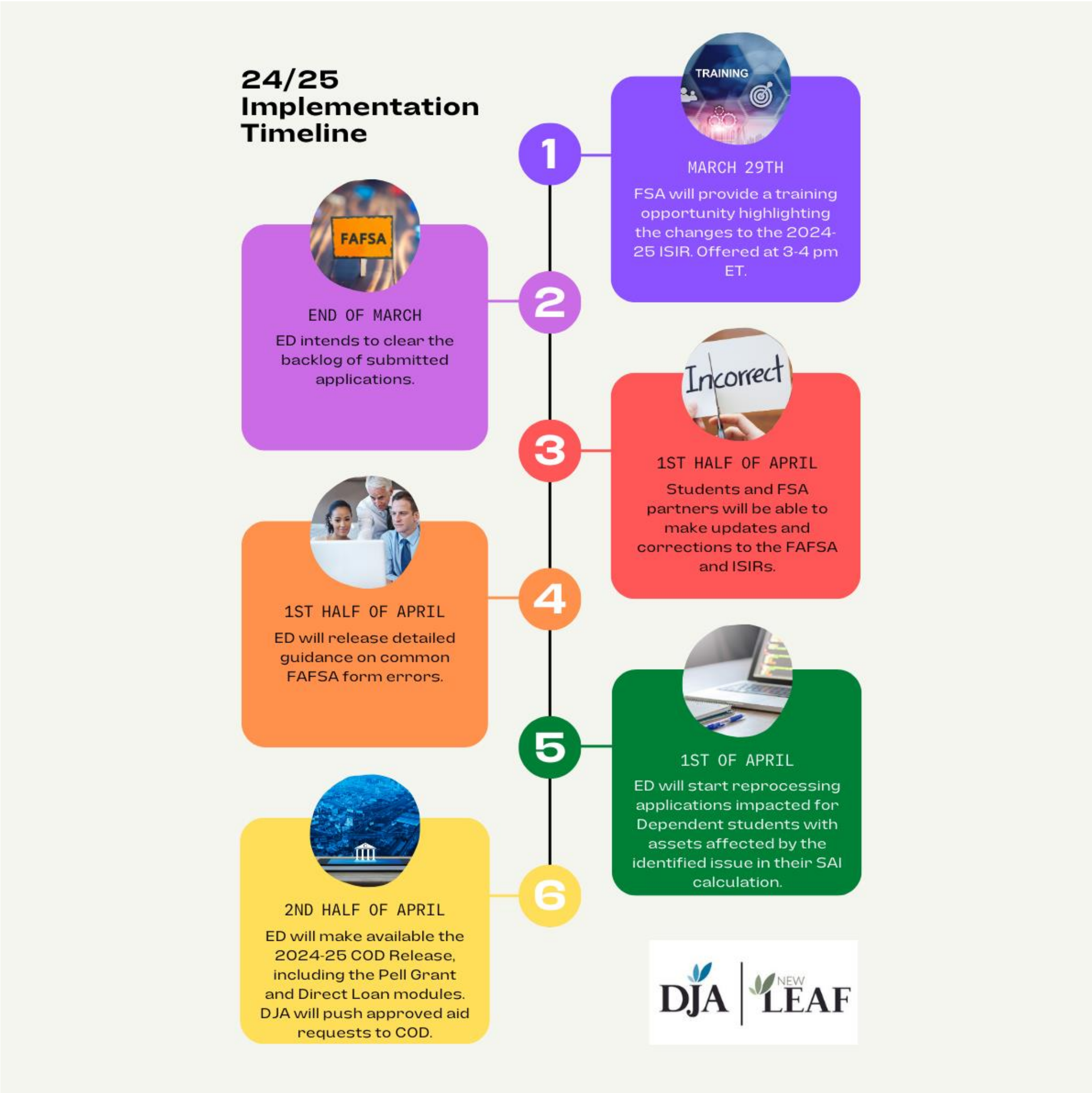
While the month of March brought the much anticipated release of the 24/25 ISIRs to institutions of higher education, the delivery has had scores of issues. As the month came to a close, the Department of Education (ED) published in an Electronic Announcement (EA) the discovery of another potential issue with the 24/25 ISIRs. Just after completing a live webinar reviewing the 24/25 ISIR, FSA shared in the EA they had been made aware of reports concerning tax data on the ISIR. The announcement outlined ED's intent to work with the IRS to research the scope, impact and causation of the erroneous tax data. On the Easter holiday, ED made an update to the electronic publication providing additional insight into the amount of applications affected by three key issues. The update estimates that less than 20 percent of submitted 24/25 FAFSAs were produced with inaccuracies on their ISIRs sent to institutions. Those identified are affected by one of the following issues:

- Some data fields are pulled from a mix of updated and original returns leading to inconsistent tax data.
- Education tax credit data field is inaccurate.
- For manually entered tax information, inaccurate reported values for education tax credits and income taxes paid, due to discrepancies in the instructions.

In addition to providing more clarity on the tax data issues, the EA update promises a future EA from FSA on the first of April. The future communication will provide detailed information about the identification of affected students and remediation plans for these issues, including how to continue processing the majority of applications that have been successfully sent.

This most recent discovery seems like the norm for the implementation of the 24/25 FAFSA, a process that has experienced extreme delays and countless errors. As a result, institutions of higher education have been left feeling ill equipped to provide accurate financial aid offers to their students in such a constricted timeline. Just last week, FSA delivered a similar EA pointing to an error in ISIRs delivered prior to March 21, 2024. The scope of that error affected only dependent students who reported assets on their application. "The FAFSA Processing System (FPS) was not including all data fields needed to correctly calculate the Student Aid Index (SAI) for dependent students who reported assets. The FPS used the student's Adjusted Net worth of Businesses and Investment Farms to calculate the Student Contribution from Assets (ISIR field 328) and should have also included the student's Current Net worth of Investments and Total of Cash, Savings, and Checking Accounts. This resulted in an SAI that was lower than expected and an inaccurate total Student Contribution from Assets value." The EA instructed schools to continue packaging efforts for dependent students without assets, but for those **with** assets a reprocessed ISIR would be forthcoming.

Amidst the two EA's informing the community of ISIR issues also came an announcement providing an updated timeline for 24/25 processing. Please see our visual on the following page for a walkthrough of the next few months, including a projection for the system generated ISIRs resolving the asset issue.
Sources: 03.29.24 EA: Potential Issue Alert on Tax Data Reported on the 24/25 FAFSA
03.22.24 EA: Update on 24/25 ISIR Delivery
03.25.24 EA: Update on 24/25 Processing



DELAY TO FINANCIAL VALUE TRANSPARENCY AND GAINFUL EMPLOYMENT REPORTING REQUIREMENTS AND REGULATORY GUIDANCE ISSUED

After much anticipation and urging from industry groups, the Department of Education (ED) has finally provided a much needed timeline delay to the FVT/GE reporting requirements and additional insight into the regulations set to implement on July 1, 2024. In an Electronic Announcement released on Friday, March 29th, ED provides additional information and an updated deadline for reporting under the final regulations on Financial Value Transparency and

Gainful Employment. While the ability to report will still open on July 1, 2024, institutions will now have until October 1, 2024, before required reports must be submitted. The EA also indicates an upcoming Dear Colleague forthcoming, which we have summarized within this article as well. Secondly, it shares that in the first week of April, FSA will publish a Frequently Asked Questions (FAQs) on the FSA Knowledge Center and create a FVT/GE Topics page, a centralized location where they will maintain policy and operational guidance about the FVT/GE requirements.

In addition to delaying the reporting deadline, the EA also provides a revised timeline for implementation separated by objectives:

Policy Guidance

- March 29th: Dear Colleague Letter on the FVT/GE requirements.
- April 1st Week: Frequently Asked Questions (FAQs) will be published on FSA's Knowledge Center and an FVT/GE Topics page will be created, a centralized location to maintain policy and operational guidance about the FVT/GE requirements.

Student Cohort Reports

- Early April: FSA will publish an Electronic Announcement describing a series of new National Student Loan Data System (NSLDS) reports that will assist institutions with identifying completer cohorts and those students for whom institutions will report data.
- Mid- April: FSA will also provide information on a live webinar that will provide information about the new NSLDS reports.
- Late April: The FVT/GE NSLDS reports will become available to institutions to use.
- Early May: The live webinar on the NSLDS reports announced mid-April will be held.

FVT/GE Data Reporting Requirements

- April: FSA will publish a reporting guide that will provide the technical and operational details institutions need to begin the FVT/GE reporting process in NSLDS.
- June: FSA will also provide information about a live webinar that will describe the information in the reporting guide.
- July: FSA will host the live webinar announced in June on the reporting guide.
- July 1st: The reporting system will become available for institutions to begin using.
- July: FSA will provide institutions with draft "completers lists" that identify the cohorts of students whose earnings will be included in the FVT/GE metrics. Institutions will have 60 days to make corrections to those lists.
- October 1st: Updated deadline for all required data to be reported to NSLDS.

Publication of FVT/GE Metrics

- Early 2025: ED plans to publish the first FVT/GE metrics and notify institutions of failing GE programs.
- Early 2025: Shortly thereafter, ED will notify institutions that have voluntarily discontinued failing GE programs or withdrawn such programs from eligibility that substantially similar programs cannot be approved until three years have elapsed since the programs were discontinued.
- Early 2025: ED will also provide additional information on the program eligibility effects of the metrics on failing GE programs.
- July 2026: ED plans to make its program information system available. More information on this will be provided in the future.

Just as promised, shortly after the EA publication, ED released a Dear Colleague providing guidance on the FVT/GE Regulations. As a reminder, these regulatory provisions are scheduled for implementation on July 1, 2024. We have highlighted the overview of the regulations below:

Applicability of the FVT/GE Regulations and Summary of Requirements: It is important to note that the FVT and GE regulations are separate sets of requirements. As such they apply to different types of educational programs.

FVT Regulations: Designed to improve the quality and availability of information directly to students about the costs, sources of financial aid and outcomes of students enrolled in Title IV eligible programs.

- Establish two measures:
  - Debt to Earnings Measure
  - Earnings Premium
- Apply to all Title IV Programs- both GE and non-GE (See exclusions below)
  - However, only GE programs will have their program eligibility affected based off the outcomes of both measures.
- Require institutions to report information about students who enrolled in each of the institutions' Eligible Non-GE programs and GE programs to enable the Department to calculate the program's debt-to-earnings (D/E) and earnings premium (EP) measures and other information that institutions may be required to disclose or the Department may disclose.
- Exclude students from consideration in either measure if they are enrolled in CTP programs, prison education programs, or programs or coursework that do not lead to a recognized credential.
- Exclude students from consideration in either measure if they qualify for total and permanent disability or if they have died.
- Establish D/E rates that compare the amount of debt program graduates incurred to attend that program to the discretionary and annual earnings of graduates after completing the program. Two D/E rates are calculated, one based on annual earnings and one based on discretionary income.
- Establish an EP measure that evaluates the extent to which a graduate of a program out-earns the median annual earnings of individuals with only a high school diploma or equivalent in the same State the program is located, or nationally, if 50 percent or more of the students in the program were located outside that State.
- Provide that for the first six years the regulations are in effect, institutions may choose whether to report student-specific data either using the standard methodology (requiring data for several recently completed award years) or a transitional methodology (requiring data from only the two most recently completed award years).
- Require the Department to establish a website to disclose to current and prospective students information about the institutions' Eligible Non-GE Programs and GE programs.
- Require prospective students to acknowledge having seen the information on the Department's website if a non-degree or graduate-level program has failed the D/E rates before entering an enrollment agreement with an institution.

<u>GE Requirements</u>: Establish an accountability framework for GE programs that uses the same earnings premium and debt to earnings measures outlined in the FVT regulations to determine whether a GE program remains eligible for Title IV programs. These requirements can affect program eligibility and only apply to GE programs.

A GE program is defined as:

- All non-degree programs (e.g., certificate programs, diploma programs) that lead to recognized credentials at public and private nonprofit institutions are GE Programs except for CTP programs and prison education programs.
- All educational programs offered by for-profit (proprietary) institutions are GE Programs except for CTP programs and a limited number of bachelor's degree programs in liberal arts if the institution has been regionally accredited since October 2007 and the program has been offered by the institution since January 2009 under 34 CFR 600.5(a)(5)(i)(B). These bachelor's degree programs in the liberal arts offered by proprietary institutions are Eligible Non-GE Programs, but are not GE Programs. There are some exceptions as outlined later in this article.

The GE regulations:

- Provide that a GE program loses Title IV eligibility if it either fails the D/E rates measure in two out of any three consecutive award years for which rates are calculated or the EP measure in two out of any three consecutive award years for which rates are calculated.
- Provide the opportunity for an institution to appeal a GE Program's loss of eligibility solely on the basis of a miscalculated D/E rate or earnings premium.
- Establish a three-year period of ineligibility for failing GE programs that have been voluntarily discontinued or withdrawn from Title IV eligibility by an institution, or that lose eligibility as a result of failing the D/E rates or EP metric, during which the Department will not approve a substantially similar program in the same 4-digit CIP code range as the failing program.
- Require institutions to provide warnings to current and prospective students for GE programs that are at risk of a loss of Title IV eligibility due to having failed one of the metrics in one of the two most recent award years for which the program received metrics, content and delivery of which to be specified by the Department, and provide that students must acknowledge having seen these warnings before the institution may enter into an enrollment agreement with the student or disburse any Title IV funds.

Exclusions: There are types of Title IV programs or coursework that are considered neither GE programs or non-Eligible Non-GE programs. They are not subject to reporting or any other requirements in these regulations. Additionally, there are two situations in which institutions and all their programs are excluded from some or all of the FVT/GE requirements.

<u>Excluded Programs:</u>

- Approved comprehensive transition and postsecondary (CTP) programs [34 CFR 668.231(a)];
- Approved prison education programs [34 CFR Part 668 Subpart P;

- Post baccalaureate teacher certification programs where the institution does not award a credential [34 CFR 668.32(a)(1)(iii) and 34 CFR 690.6(c)];
- Programs at least two academic years in length that are acceptable for full credit toward a bachelor's degree [34 CFR 668.8(c)(2)];
- Preparatory coursework for which eligible students may receive Direct Loan funds [34 CFR 668.32(a)(1)(ii)].

Institutional Exclusions:

- Institutions with no groups of substantially similar programs (same four-digit CIP prefix) that produced at least 30 total completers over the preceding four award years are not subject to any of the FVT or GE provisions.
- Institutions with main campuses located in a U.S. Territory or the Freely Associated States are excluded from the GE accountability provisions and most financial value transparency provisions but must still meet reporting requirements under 34 CFR 668.408.

Reporting Requirements: The FVT/GE regulations require institutions to annual report two types of data to the Department:

- Program specific information
- Student specific information

Program Specific Information:

- The name of the program;
- The program's CIP code (six-digit);
- The program's credential level (e.g., bachelor's degree or first professional degree);
- The program's published length (defined in weeks, months, or years as published by the school);
- Published program length unit of measurement (i.e., weeks, months, or years);
- Total number of weeks in the program's Title IV academic year;
- Whether the program is programmatically accredited and, if so, the name of the agency that accredits the program;
- The States in the metropolitan statistical area in which the institution's main campus is located where the program does or does not prepare students for licensure;
- The total number of students enrolled in a program during the most recently completed award year;
- The total number of graduates who took a licensure exam in the most recently completed award year; •
- The total number of program graduates who passed a licensure exam in the most recently completed award year;
- Whether the program is a bachelor's degree programs in liberal arts and 1) the institution has been regionally accredited since October 2007; 2) the program has been offered by the institution since January 2009; and 3) the institution offering the program is a proprietary institution; and •

- Whether the program is a “qualifying graduate program” (defined below).

Student Specific Information: To the extent possible, the Department will use administrative data that has already been reported by institutions, such as enrollment reporting and federal loan information in the National Student Loan Data System (NSLDS) to calculate the D/E and EP measures. However, the Department needs additional student-specific information from institutions to calculate the D/E and EP measures and to calculate other information that the Department will disclose to students.

Therefore, institutions must report specific information for each student who received Title IV funds for enrollment in a GE or an Eligible Non-GE Program during an award year. The reporting includes information about each student’s enrollment in the program, the amounts of private or institutional loans and other financing received by the student for that enrollment, the amount of institutional grant or scholarship funds received by the student, as well as the amount that was assessed the student for tuition and fees and for books, supplies, and equipment.

Your school must determine if you will report whether it will use standard or transitional periods for reporting at the time that it first reports data to the Department. The choice of standard or transitional period must be made for the entire institution and cannot be changed once it has been selected. Schools that choose transitional reporting will use that reporting method for the first six years that the regulations are in effect. Schools that choose standard reporting will be expected to provide data for all the years during the cohort period.

- Information needed to identify the student;
- The date the student initially enrolled in the program;
- Whether the student is enrolled in a CTP program;
- Whether the student was enrolled in a prison education program or was incarcerated and enrolled in a program under the Second Chance Pell experiment;
- The student’s enrollment status code as of the first day the student was enrolled in the program (e.g., full-time, half-time, etc.);
- The enrollment status of the student in the program for the award year being reported;
- The student’s total annual cost of attendance for the award year being reported;
- The total tuition and fees assessed to the student for the award year being reported;
- The student’s residency tuition status by State or district for the award year being reported (e.g., in district, in-State, or out-of-State);
- The student’s total annual allowance for books, supplies, and equipment from their Cost of Attendance (COA) for the award year being reported;
- The student’s total annual allowance for housing and food from their COA for the award year being reported;
- The amount of institutional grants and scholarships disbursed to the student during the award year; • The amount of other State, Tribal, or private grants or scholarships disbursed to the student during the award year; and
- The amount of any private education loans disbursed to the student for enrollment in the program that the institution is, or should reasonably be, aware of, including private education loans made by the institution.

For students who withdrew from or completed the program during the applicable period, the institution must report the following:

- Whether the student withdrew from or completed a CTP program;
- Whether the student was enrolled in a prison education program or was incarcerated and enrolled in a program under the Second Chance Pell experiment;
- The date the student completed or withdrew from the program;
- The total amount the student received from private education loans for enrollment in the program;
- The total amount of institutional debt the student owes to the institution or to a party that extended an amount on behalf of the institution after completing or withdrawing from the program;
- The total amount of tuition and fees assessed the student for the student's entire enrollment in the program;
- The total amount of the allowances for books, supplies, and equipment included in the student's COA for each award year in which the student was enrolled in the program, or a higher amount if assessed the student by the institution for such expenses; and
- The total amount of institutional grants and scholarships provided for the student's entire enrollment in the program.

Additional information will be provided on the specific items that schools are required to report and the process for reporting to the Department when operational guidance and technical specifications for FVT/GE reporting are published, no later than April 2024 as stated in the timeline outlined under the EA summary above.

Source: 03.29.24 EA: Delay in Implementation of FVT/GE Reporting Requirements
03.29.24 Dear Colleague: Update to FVT/GE Regulations

IN THE NEWS: PRESIDENT BIDEN SIGNS THE REMAINING APPROPRIATIONS FOR FY2024

On March 22, 2024, President Biden signed into law a 1.2 million dollar spending package under H.R. 2882, the "Further Consolidated Appropriations Act, 2024". This latest spending bill funded the remaining federal departments not included in the appropriations signed on March 8th. This most recent package effectively funds the Federal Pell Grant program, keeping the Pell Grant maximum at $7,395 and the Pell Grant minimum at $740. No additional reprocessing will be required to adjust Pell Grant awards as the maximum and minimum Pell matches what was released by FSA in late January.

Sources: New York Times Publication

March 2024

FINAL FUNDING LEVELS FOR THE CAMPUS-BASED PROGRAMS RELEASED

In late January, FSA released the tentative funding authorization for the Campus-Based Programs. At the end of this month, FSA published the final funding authorization for the Campus-Based Programs following President Biden's signature on the fiscal year appropriations. The final 2024–25 Campus-Based programs funding worksheets and the 2024–25 Statement of Account for each of the Campus-Based programs were subsequently posted to the Common Origination and Disbursement (COD) website late Friday, March 29th.

A school's 2024–25 final funding authorization for each of the Campus-Based programs is based on the applicable statutory formula and on the amount of funds appropriated by Congress for that program. A school will not receive a 2024–25 final funding authorization amount for a Campus-Based program that is more than its request for funds made for that program on the Fiscal Operations Report for 2022–23 and Application to Participate for 2024–25 (FISAP) that the school previously submitted to the U.S. Department of Education (the Department).

Under the *Further Consolidated Appropriations Act, 2024*, $1,230,000,000 was appropriated for the Federal Work-Study (FWS) Program and $910,000,000 for the Federal Supplemental Educational Opportunity Grant (FSEOG) Program for the 2024–25 award year. In additional to providing the final funding levels in the EA, individual schools will be notified by email that the 2024–25 Campus-Based allocation information has been posted to the COD website. Emails are sent to the school's Financial Aid Administrator, as provided in the school's most recently submitted FISAP or the FAA listed on the "Contact Info" page in the Campus-Based section of the COD website. To access the documents:

1. Log in to the COD website
2. From the School tab, select "Campus-Based" from the left navigation menu
3. Select the "Self-Service" link from the left navigation menu, then "Notifications"
4. Select the 2024–25 Application Year from the drop-down menu to view the Statement of Account and Final Award Worksheet

An explanation of the funding worksheet for each program and information about Standard Expected Family Contribution procedures can be found in the attachments included in the EA linked below.

All Campus-Based funds available for the 2024–25 award year have been allocated in this final Campus-Based allocation process. However, some schools may qualify for supplemental 2024–25 Campus-Based funds based upon a reallocation of funds not spent by institutions from 2023–24 allocations. More information on the reallocation application and process will be published in forthcoming announcements.

Source: EA: Final Funding Authorization for the Campus-Based Programs

ADDITIONAL FSA ANNOUNCEMENTS AND PUBLICATIONS RELEASED

This section of our newsletter provides quick links to other important FSA announcements not covered in this newsletter and publications that have been released this month for your review.

Electronic Announcements and Dear Colleagues:

(GENERAL-24-26) Keeping You Informed – Updates to the 2024-25 FAFSA Simplification Information Area on Knowledge Center (Updated March 27, 2024)
(GENERAL-24-25) 2024 Federal Student Aid Training Conference – To Be Held Virtually Dec. 3–6, 2024
(GENERAL-24-24) Update on 2024-25 FAFSA Institutional Student Information Record (ISIR) Delivery
(APP-24-04) DHS-SAVE Instructions for U.S. Department of Education (School) Users Version 4.0 Available
(EDESUITE-24-01) Availability of EDExpress for Windows 2024–25, Release 1.0 (Updated March 28, 2024)
(GEN-24-04) Regulatory Requirements for Financial Value Transparency and Gainful Employment
(ANN-24-05) Live Internet Webinar – 2024–25 ISIR Highlights
(ANN-24-04) Live Internet Webinar – Navigating and Finding Resources on FAFSA Simplification

Publications:

2024-25 Student Aid Index (SAI) and Pell Grant Eligibility Guide (Updated March 21, 2024)

COMPLIANCE CORNER

MAINTAINING COMPLIANCE WITH THE UPDATED CYBERSECURITY REQUIREMENTS UNDER THE GLBA SAFEGUARDS RULE

On December 9, 2021, the Federal Trade Commission (FTC) issued final regulations (Final Rule) to amend the Standards for Safeguarding Customer Information (Safeguards Rule), an important component of the Gramm-Leach-Bliley Act's (GLBA) requirements for protecting the privacy and personal information of consumers. It has been nearly a year since bulk of those updated regulations went into effect last June 2023. As part of participation in the FSA programs, schools are required to protect student financial aid information provided to them by the Department or otherwise obtained in support of the administration of Title IV funds. Institutions must ensure that all FSA applicant information is protected from access by, or disclosure to, unauthorized personnel, and comply with all of the requirements to protect and secure data obtained from the Department's systems for the purposes of Title IV administration. The added layer of Federal Tax Information being included on the 24/25 FAFSAs only increases the importance of adhering to these regulations.

Updated GLBA Requirements

Although we have outlined a summary of the requirements, we also want to share two additional resources that add value to interpreting the regulations: the text of the Safeguards Rule itself and GLBA guidance provided by the FTC. The FTC also provides a great deal of general data security guidance on its website.

Definition of "Customer" for Purposes of GLBA Compliance

The regulations use the terms “customer” and “customer information.” For the purpose of an institution’s or servicer’s compliance with GLBA:

- customer information is information obtained as a result of providing a financial service to a student (past or present). Institutions or servicers provide a financial service when they, among other things, administer or aid in the administration of the Title IV programs; make institutional loans, including income share agreements; or certify or service a private education loan on behalf of a student.

Requirements in the GLBA Safeguards Rule

The objectives of the GLBA standards for safeguarding information are to –

- Ensure the security and confidentiality of student information;
- Protect against any anticipated threats or hazards to the security or integrity of such information; and
- Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any student (16 C.F.R. 314.3(b)).

To achieve the GLBA objectives, institutions and servicers are required to develop, implement, and maintain a written, comprehensive information security program. The FTC’s regulations require that the information security program contains administrative, technical, and physical safeguards that are appropriate to the size and complexity of the institution or servicer, the nature and scope of their activities, and the sensitivity of any student information.

An institution’s or servicer’s written information security program must include the following nine elements included in the FTC’s regulations:

Element 1: Designates a qualified individual responsible for overseeing and implementing the institution’s or servicer’s information security program and enforcing the information security program (16 C.F.R. 314.4(a)).

Element 2: Provides for the information security program to be based on a risk assessment that identifies reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information (as the term customer information applies to the institution or servicer) that could result in the unauthorized disclosure, misuse, alteration, destruction, or other compromise of such information, and assesses the sufficiency of any safeguards in place to control these risks (16 C.F.R. 314.4(b)).

Element 3: Provides for the design and implementation of safeguards to control the risks the institution or servicer identifies through its risk assessment (16 C.F.R. 314.4(c)). At a minimum, the written information security program must address the implementation of the minimum safeguards identified in 16 C.F.R. 314.4(c)(1) through (8).

Element 4: Provides for the institution or servicer to regularly test or otherwise monitor the effectiveness of the safeguards it has implemented (16 C.F.R. 314.4(d)).

Element 5: Provides for the implementation of policies and procedures to ensure that personnel are able to enact the information security program (16 C.F.R. 314.4(e)).

Element 6: Addresses how the institution or servicer will oversee its information system service providers (16 C.F.R. 314.4(f)).

Element 7: Provides for the evaluation and adjustment of its information security program in light of the results of the required testing and monitoring; any material changes to its operations or business arrangements; the results of the required risk assessments; or any other circumstances that it knows or has reason to know may have a material impact the information security program (16 C.F.R. 314.4(g)).

Element 8: For an institution or servicer maintaining student information on 5,000 or more consumers, addresses the establishment of an incident response plan (16 C.F.R. 314.4(h)).

Element 9: For an institution or servicer maintaining student information on 5,000 or more consumers, addresses the requirement for its Qualified Individual to report regularly and at least annually to those with control over the institution on the institution's information security program (16 C.F.R. 314.4(i)).

Institutions or servicers that maintain student information for fewer than 5,000 consumers are only required to address the first seven elements.

While all elements of the Safeguards Rule are vital to protecting the security of customer information, an institution or servicer may significantly reduce the risk of a security breach, and the resulting harm and inconvenience to its customers, by encrypting customer information while it is in transit outside its systems or stored on its system and by implementing multi-factor authentication for anyone accessing customer information on its systems.

Another helpful resource that is meant to act as a "compliance guide" is the FTC's publication entitled FTC Safeguards Rule: What Your Business Needs to Know, The publication provides valuable information such as describing what a reasonable security program should look like and goes over each of the nine required elements in greater detail.

Enforcement Authority and Compliance Requirements

Under the Standards of Administrative Capability at 34 C.F.R. 668.16(c), an institution is required to have an adequate system of internal controls that provides reasonable assurance that the institution will achieve its objectives regarding reporting, operations, and compliance. Information security safeguards are fundamental to a system of internal controls and essential for preventing disruption to these core objectives as they guard the information systems that collect, maintain, process, and disseminate student information. Therefore, an institution that does not provide for the security of the information it needs to continue its operations would not be administratively capable.

The changes to the Safeguards Rule expand on the minimum information security requirements that should already be in place at participating institutions and their third-party servicers. The Department intends to work with all institutions to improve their information security posture, including those that may not have yet implemented the Safeguards Rule requirements.

Enforcement Process When Noncompliance with GLBA has been Identified

Any GLBA findings identified through a compliance audit, or any other means, after the effective date will be resolved by the Department during the evaluation of the institutions or servicer's information security safeguards required under GLBA as part of the Department's final determination of an institution's administrative capability. GLBA related findings will have the same effect on an institution's participation in the Title IV programs as any other determination of non-compliance.

In cases where no data breaches have occurred and the institution's or servicer's security systems have not been compromised, if the Department determines that an institution or servicer is not in compliance with all of the Safeguards Rule requirements, the institution or servicer will need to develop and/or revise its information security program and provide the Department with a Corrective Action Plan (CAP) with timeframes for coming into compliance with the Safeguards Rule. Repeated non-compliance by an institution or a servicer may result in an administrative action taken by the Department, which could impact the institution's or servicer's participation in the Title IV programs.

FSA Cybersecurity Resources

To assist institution's in meeting these regulatory guidelines FSA offers two factsheets they developed on how to establish an Incident Response Plan (IRP) and the importance of data sanitization.

Incident Planning Guide for IHEs

In the event of a cyberattack, an IRP mitigates risk and limits damage by establishing plans, procedures, roles, and responsibilities. To learn more, create, or strengthen your institution's IRP, visit FSA's Cybersecurity Incident Planning for Institutes of Higher Education factsheet.

Media Sanitization Best Practices

Physical documents, mobile devices, external hard drives, USB drives, memory devices, and computers can harbor abundant sensitive student data. If not properly disposed of, confidential data may be wrongly disclosed. FSA's Media Sanitization and Disposal Best Practices factsheet details how to permanently destroy media to protect confidential personal data and proprietary information.

Lastly, FSA offers an IHE cybersecurity newsletter. If you are interested in receiving it, you can sign up by emailing FSASchoolCyberSafety@ed.gov with the subject line: "Send me the FSA Cybersecurity Newsletter for IHEs."

CALENDAR and RESOURCES

Training Resources

DJA MONTHLY WEBINARS

Satisfactory Academic Progress- Wednesday, April 3rd, 11 a.m. CST

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, on a trial basis. 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.

2024 DJA WEBINAR SCHEDULE

APR 3	Satisfactory Academic Progress
MAY 8	Return of Title IV Funds (Including LOA)
JUN 5	General Participation Requirements
JUL 10	Campus Crime Report
AUG 7	Entrance and Exit Counseling
SEPT 4	Cash Management
OCT 2	Enrollment Reporting Using NSLDS
NOV 6	Program Integrity (Audits, Program Review)
DEC 4	1098-T Reporting

Conference Schedule

DJA's Annual Virtual Financial Aid Conference

Unleash the future of Financial Aid Administration by attending our annual conference. Held virtually this year, the conference will be on Monday, April 22nd and Wednesday, April 24th from 9 a.m. to 1 p.m. CST. An agenda of informative sessions will be offered to attendees. Free to all clients, the topics to be presented are listed below:

- Federal Update Regulatory Changes- Co Presenters Eileen Keller and Chris DeLuca 90/10 Gainful Employment Borrower Defense to Repayment
- 2024-25 Verification

- 2024-25 Packaging
- Professional Judgment/Conflicting Information
- Institutional Eligibility- Changes to 150% Rule
- SIS and New Leaf Integration: Capitalizing on Automation
- Understanding R2T4
- Cybersecurity- Are you Compliant?
- and MORE!

These sessions are free to DJA clients. Attendance by outside institutions is subject to availability and offered for an additional fee. Please email rford@gotodja.com for more information.

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.