

2017-18 Application Processing

**2017-2018
Application Processing**



NCASFAA Fall Conference
November 14-16, 2016



David Bartnicki
U.S. Department of Education

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

**Application
Processing**

2017-2018



FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

2017-18 Changes

- Will no longer print FAFSA as color packet
 - More than 99 percent of FAFSAs are filed electronically
 - PDF FAFSA available online to be printed
 - Call 1-800-4FEDAID to request copy
- Medicaid added as federal means-tested benefit
 - May impact auto zero and SNT students

FederalStudentAid | PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

2017-18 Changes

ISIR sent to colleges will only include the Federal School Code and associated housing code for the school to whom the ISIR is sent.

- Applicants will continue to receive SARs that list all the Federal School Codes selected on each transaction in order
- 6/8/16 EA - State grant agencies will continue to receive the full list of the colleges in order for both 2016-2017 AND 2017-2018
- Randomization will be delayed until the 2018-2019 FAFSA

FederalStudentAid PROUD SPONSOR of the AMERICAN MIND™

2017-2018 Major Application Changes

- 2017-2018 Major Processing Announcements
 - *Early FAFSA Launch*
 - Beginning with 2017-2018, the FAFSA cycle will begin October 1 instead of January 1
 - 2017-18 FAFSA available Oct. 1, 2016, at fafsa.gov
 - Change to October 1 launch will be permanent
 - *Prior-Prior Year Income*
 - Beginning with 2017-2018, FAFSA income information will come from the “prior-prior year”
 - 2017-2018 FAFSA will collect tax year 2015 income information
 - IRS Data Retrieval Tool available at time of launch

FederalStudentAid PROUD SPONSOR of the AMERICAN MIND™

Benefits of FAFSA Changes

- Benefit #1: Alignment
 - Many college application deadlines occur in the fall
 - Alignment of FAFSA availability = less confusion
- Benefit #2: Certainty
 - No need to estimate tax information
 - IRS Data Retrieval Tool available at launch
 - Earlier receipt of Expected Family Contribution (helps with assessing net costs)
- Benefit #3: Less Pressure
 - More time before (most) state and school financial aid deadlines
 - More time to compare school offers before College Signing Day

FederalStudentAid PROUD SPONSOR of the AMERICAN MIND™

For discussion purposes only

2017-18 Application Processing

Early FAFSA/Prior-Prior Year: Items

Electronic Announcement #4 - March 18, 2016

- Outlines income related items on FAFSA that will be based on 2015 data (prior-prior year)
 - Tax filing status, tax return status, type of return, return eligibility, AGI, taxes paid, exemptions, income earned from work, income exclusions, untaxed income
- FAFSA items current at time FAFSA completed or for current award year (Not prior-prior year data)
 - Dislocated worker, household size, number in college, assets, certain means-tested benefits

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

Early FAFSA/Prior-Prior Year: Q & As

G-Q1: Will FAFSA applicants have an option to use tax year 2016 income and tax information?

G-A1: NO. Beginning with the 2017-2018 FAFSA, students and parents will be required to use income and tax information from the 2015 tax year. However, a financial aid administrator (FAA) may use professional judgment to change any of the income or tax items by using the 2015 (or any other recent 12 month period) income and tax information, if the FAA determines that there are extenuating circumstances that justify the use of information other than the 2015 tax year information. The fact that the student might be eligible for more aid based upon the use of 2016 information is not, by itself, sufficient reason for an FAA to make a professional judgment decision to use 2016 income. [April 12, 2016]

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

Early FAFSA/Prior-Prior Year: Q & As

G-Q9: Will the 2017-2018 FAFSA (either initial or renewal) be pre-populated with information from the applicant's 2016-2017 FAFSA since the information should be the same?

G-A9: NO. There are too many instances where such pre-populating would result in incorrect information being included on the 2017-2018 FAFSA – e.g., changes in dependency status, changes in marital status, professional judgment. However, institutions are reminded that most 2017-2018 FAFSA filers who have filed an IRS income tax return will be able to use the IRS Data Retrieval Tool (IRS DRT) to import their 2015 income and tax information directly from the IRS into their 2017-2018 FAFSA. Using the IRS DRT is the fast and most accurate way to input income and tax information into the FAFSA. Use of the IRS DRT will dramatically reduce the likelihood that the applicant will be selected for verification. [April 12, 2016]


Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

For discussion purposes only

2017-18 Application Processing

Early FAFSA/Prior-Prior Year: Outreach

- **Outreach**
 - Early FAFSA Webpage (right-hand side of IFAP)
 - <http://ifap.ed.gov/EarlyFAFSA/indexV1.html>
 - Periodic EAs, DCLs, training, Resources on IFAP
 - Q & As recently added
 - Student websites, publications, communications will be updated appropriately and as timely as possible
 - "Early FAFSA" mailbox for the community to contribute thoughts, ideas, and concerns on the implementation of the 2017-2018 Early FAFSA
 - "Early FAFSA" mailbox - EarlyFAFSAFeedback@ed.gov



Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND
An OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA CHANGES FOR 2017-18

CHANGES TO THE FAFSA PROCESS FOR 2017-18

SUBMIT A FAFSA EARLIER: Students will be able to file a 2017-18 FAFSA as early as Oct. 1, 2016, rather than beginning on Jan. 1, 2017. The earlier submission date will be a permanent change, enabling students to complete and submit a FAFSA as early as October 1 every year. (There is NO CHANGE to the 2016-17 schedule. The 2016-17 FAFSA will become available January 1, 2016.)

USE EARLIER INCOME INFORMATION: Beginning with the 2017-18 FAFSA, students will report income information from an earlier tax year. For example, on the 2017-18 FAFSA, students (and parents, as appropriate) will report their 2015 income information, rather than their 2016 income information. The following table provides a summary of key dates as we transition to using the early FAFSA submission timeframe and earlier tax information.


IF YOU PLAN TO ATTEND COLLEGE FROM	YOU CAN SUBMIT THE FAFSA FROM	USING TAX INFORMATION FROM
July 1, 2015–June 30, 2016	January 1, 2015–June 30, 2016	2014
July 1, 2016–June 30, 2017	January 1, 2016–June 30, 2017	2015
July 1, 2017–June 30, 2018	October 1, 2016–June 30, 2018	2015
July 1, 2018–June 30, 2019	October 1, 2017–June 30, 2019	2016

Federal Student Aid | StudentAid.gov/fafsa-changes

2017-2018 Important Dates

- August 2016
 - EFC Formula Guide
 - SAR Comments Code and Text Guide
 - ISIR Guide
- September 2016
 - CPS Web Applications Demo System availability
- October 2016
 - FAFSA on the Web available (10/1/16)
 - FAA Access to CPS Online availability (10/1/16)
 - IRS Data Retrieval Tool available (10/1/16)
 - Student Aid Report distribution begins (10/3/16)

May 6, 2016 Electronic Announcement



Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

Early FAFSA/Prior-Prior Year: Outreach

Materials and Resources for Outreach

- **FAFSA:** FinancialAidToolkit.ed.gov/fafsa
- **Resources:** FinancialAidToolkit.ed.gov/resources
- **FAFSA Changes:** FinancialAidToolkit.ed.gov/fafsa-changes
 - Talking points
 - Table of FAFSA launch dates and tax years
 - Fact sheets for counselors and parents & college students
 - Outreach calendar
 - PowerPoint presentations
 - Information about upcoming webinars

Enhanced FAFSA Instructions

- Which FAFSA should you complete?
- For which tax year should you report income and tax information?
- What should you do when your current marital status doesn't match the way you filed your tax return?
- Why should you use the IRS Data Retrieval Tool?

Early FAFSA/Prior-Prior Year: PJ

- Professional Judgement (GEN-16-03)
 - Reminded schools of their ability to use PJ and encourages schools to use PJ when appropriate (and properly document)
 - ED acknowledges likely increase in use of PJ
 - ED will modify risk-based compliance models to account for PJ increase
 - Reminded schools to set Professional Judgment Flag to 1 (EFC Adjustment Processed) to indicate that the CPS submission was the result of a PJ determination

For discussion purposes only

2017-18 Application Processing

Early FAFSA/Prior-Prior Year: Verification

- Verification
 - May be some changes but overall process will be the same
 - In most cases financial data processed by IRS



FederalStudentAid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION | PROUD SPONSOR of the AMERICAN MIND™

Early FAFSA/PPY: Conflicting Information

- Conflicting information (16/17 vs. 17/18 data)
 - ED developed a C-Flag process to review potential conflicting information with 2015 income data during transitional year
 - *In general ED encourages use of IRS DRT in 16/17 and 17/18 to reduce likelihood of conflicting information*



FederalStudentAid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION | PROUD SPONSOR of the AMERICAN MIND™

GEN-16-14: Conflicting Information

- ED will identify possible conflicting information resulting from the use of 2015 income and tax information for 2016-2017 and 2017-2018 FAFSAs
 - Limit the burden and minimize instances of conflicting information related to 2015 income and tax information
 - Normal conflicting information rules apply for non-income and tax related information

FederalStudentAid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION | PROUD SPONSOR of the AMERICAN MIND™

For discussion purposes only

2017-18 Application Processing

GEN-16-14: Conflicting Information

- FOTW new edits warn if one or more income or tax amounts reported for 2017-18 differs from amount reported on 2016-17 FAFSA
- If corrections not entered, comments included on SAR and ISIR
- Edits NOT triggered if:
 - 2016-17 FAFSA transaction was based on estimated income/taxes
 - Change in dependency status between two years
 - There has been a change in either student's or parents' marital status between two years

19 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- CPS will identify conflicting information between two years that once resolved would have significant impact on EFC
- CPS will NOT flag if:
 - Student is not expected to be Pell-eligible
 - Change in dependency status between two years
 - Change in student's or parents' marital status between two years
 - PJ was performed in either year

20 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- Institutionally required resolution
- Student's 2017-18 ISIR and SAR will be flagged with 'C' code and comment code 399
 - Will NOT be included on the 2016-17 ISIR
 - Regardless if selected for verification
- If comment code 399 not included on 2017-18 ISIR, school is not required to determine if there are any differences in income or tax information between two ISIRs
 - However, any other conflicting information (e.g., citizenship status or HS completion status) must be resolved

21 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

GEN-16-14: Conflicting Information

- Comment Code 399
 - **Please note:** code 399 will not appear on a 2017-18 ISIR if a student completes a 2017-18 FAFSA *prior* to completing one for 2016-17 even if there might be conflicting information impacting the EFC
 - This is because at time of completing the 2017-18 application, there was no 2016-17 ISIR on file to compare
 - However, if any subsequent transactions are processed for 2017-18 after the 2016-2017 FAFSA is filed, the comparison will be made and code 399 will appear if applicable

22

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- Applicability of ISIRs
 - School does NOT have to resolve comment code 399 if:
 - School never received a 2016-2017 ISIR
 - School received a 2016-2017 ISIR but did not and will not disburse TIV aid in *either* year
 - School does have to resolve comment code 399 if:
 - School received 2016-2017 ISIR and disbursed or may disburse TIV aid or School received 2016-2017 ISIR but did not review or process a 2016-2017 ISIR
 - Unless no longer enrolled in 2016-17 and not expected to enroll in 2017-18

23

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- An institution is not required to resolve the reported Comment Code 399 if –
 - The institution determines that the student was, or will be, a graduate student for all of 2016-2017 and will continue to be a graduate student for all of 2017-2018; and
 - The student did not, and will not, receive Federal Work-Study for either the 2016-2017 or 2017-2018 award years.
 - Note that this relief does not apply to a student who was or who will be an undergraduate student even if the student has already completed a bachelor's degree program
 - May be a minor processing error resulting in some 17-18 ISIRs being flagged with Comment Code 399 when professional judgment had been used - we are currently investigating

24

(EA 10/21/16)

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

GEN-16-14: Conflicting Information

- Resolving potential conflicting information
- School must compare 2015 income and tax-related ISIR items from both years' ISIRs to determine conflict
 - Compare 17/18 ISIR with 399 code and 16/17 ISIR that was, or will be, used for awarding and disbursing Title IV aid
- If, in any year, *school had verified conflicting information or IRS DRT was used and no data was changed*, school can assume verified or DRT values are correct and submit changes to other ISIR's year's values
 - Exception
 - If school is aware that subsequent to verification, amended tax return was filed, school must ensure both years' ISIRs based on amended tax data

25 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

GEN-16-14: Conflicting Information

- Conflicts must be resolved if information:
 - Was not verified
 - Was not transferred using IRS DRT
 - Was transferred via IRS DRT and then changed or
 - If school is aware amended tax return was filed with IRS
- May need to reach out to student for reasons why data is different between years

26 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

GEN-16-14: Conflicting Information

- Additional disbursements and overpayments
- 2017-18 FAFSA/ISIR – if required correction is for 2017-18 year, school must use EFC from corrected ISIR to award/disburse
- 2016-17 FAFSA/ISIR – if required correction is for 2016-17 year, school must ensure that all awards/disbursements for 2016-17 are using corrected 2016-17 ISIR
 - Exception – not required to submit corrections to 2016-2017 ISIR if published deadline September 9, 2017 for making corrections has passed

27 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™

For discussion purposes only

2017-18 Application Processing

GEN-16-14: Conflicting Information

- Unable to resolve
 - Until conflicting information is resolved, school may not disburse any additional 2016-17 or 2017-18 Title IV aid
 - If unable to resolve, either because student didn't respond or adequately clarify reasons for conflicting information, school must consider student in an overaward status for any need-based 2016-17 Title IV aid that was disbursed
 - except FWS – though no more FWS can be earned

28 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- Additional disbursements and overpayments
 - Lower EFC: when correction results in lower official 2016-17 EFC, school must disburse any additional 2016-17 aid that it determines student is eligible to receive, consistent with late disbursement rules at 34 CFR 668.164(g)
 - Higher EFC: when correction results in a higher official 2016-17 EFC, school must determine student's 2016-2017 Title IV eligibility based on corrected EFC and may not make any additional 2016-17 disbursements for which the student is no longer eligible
 - Overawards may occur

29 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

GEN-16-14: Conflicting Information

- Resolving overawards and overpayments
 - Title IV Grants and Perkins Loans
 - Adjust subsequent disbursements
 - If not resolved by adjusting subsequent disbursements, student must repay portion disbursed no longer eligible for
 - School is not liable
 - Follow normal overpayment rules and procedures
 - Direct Subsidized Loans
 - Does not need to be immediately repaid but instead will be repaid under terms of promissory note
 - No action school must take except to record its determination


30 Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

What is not necessarily changing...

- When Pell origination/disbursement records can be sent to COD
- When Pell funds will be available in G5
- When award letters may be sent to students (encourage early notification but not required)



Described in detailed in the Early FAFSA Q & As

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Priority Deadlines

“...to provide your prospective students and their families more time to explore their postsecondary education options as well as to preserve the ability for those students to receive institutional and campus-based aid, I ask you **not to move any priority financial aid deadlines earlier than your deadlines for recent years.**”


Letter form Under Secretary Ted Mitchell – August 8, 2016

Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Contacts

- **Atlanta School Participation Team**
– MS, AL, FL, GA, NC, SC
– Main Number: 404-974-9303/9335
– Arva Thomas (IIS) 404-974-9412
– Cassandra Weems (IIS) 404-974-9305
- **Atlanta Training Officers**
– MS, AL, FL, GA, NC, SC, KY, TN
– David Bartnicki – 404-974-9312

Email: firstname.lastname@ed.gov



Federal Student Aid PROUD SPONSOR of the AMERICAN MIND™
An OFFICE of the U.S. DEPARTMENT of EDUCATION

For discussion purposes only

2017-18 Application Processing

Training Feedback

To ensure quality training we ask all participants to please fill out an online session evaluation

- Go to <http://s.zoomerang.com/s/DavidBartnicki>
 - Evaluation form is specific to David Bartnicki
- This feedback tool will provide a means to educate and inform areas for improvement and support an effective process for “listening” to our customers
- Additional feedback about training can be directed to joann.borel@ed.gov

34 Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

Questions?

David Bartnicki
404-974-9312
david.bartnicki@ed.gov



35 Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™
AN OFFICE of the U.S. DEPARTMENT of EDUCATION
