

Presenter:

I'm going to start today by providing some information about our 2012 – 2013 application processing statistics and then talk about some of the changes that we're making for 2013 – 2014 to FSA on the web. And then Jody will talk about some CPC processing and ISO changes as well as the new approach to verification and some processing changes related to that. She'll also talk about some of the documents that are available on IFAB and some important dates that everyone should be aware of. And we promise that we will have plenty of time for questions at the end.

I do have a few announcements that I've been asked to make. First is the free wifi password has been updated so those of you who were having trouble connecting, in order to connect you need to select Peabody meeting space and then open your browser, and the new password is 2012fsa. In addition, an additional hands on COD session 11 has been added and that's for today only. That's in the Manatee Spring room from five o'clock to six o'clock pm.

Okay, so first let's take a look at some application processing statistics this is a snapshot of our processed applications for the first nine months of 2012. So this is for the 2012 – 2013 processing year compared to the same nine-month period in 2011 – 2012. So you can see the numbers are broken down into web and easy web those are the applications that were entered using either FAFSA on the web or FAA access. Easy web represents those applications that followed the simplified path so those are students that qualified for an automatic zero EFC and therefore had fewer questions to answer on the application.

You can see, from the chart, that we had about a 30 percent decrease in paper applications between 2012 – 13 and 11 – 12 and about a 50 percent decrease in EDE transactions, which is what's represented by electronic other. For easy web and the full web applications we had a slight decrease in easy web and a slight increase in regular web, which is very likely attributed to the decrease to the auto zero threshold that went into effect at the beginning of 2012 – 2013. Our total numbers are very, very similar between 11-12 and 12-13 and as of November 18, we had a total of about 19.6 million processed applications.

And this shows our average completion times for FAFSA on the web so students who are using FAFSA on the web to complete the application. If they're a dependent student completing a full application it's taking on average about 37 minutes to complete. And you can see on the right hand table those students who are independent and follow the simplified path, the easy renewal, are

taking just a little over 10 minutes to complete their application. So our averages are fairly consistent between 2011-12 and 2012-13 but much lower than they were just a few years ago before we simplified the application.

And what you don't see here is another piece of information that I'd like to share and that is our American customer satisfaction index score. Our FAFSA on the website ranks very high. We vary between a score of 88 and 90 on average, which is considered to be outstanding. And we do get a lot of positive feedback from our users related to their experiences with FAFSA on the web so we think we're doing a really great job.

And this slide provides some information about the IRS data retrieval tool. We've seen a big increase in use of the tool for 12-13 compared to 11-12, which is no surprise because of the increased use related to the verification process. As of July 15 for 2012-13 we had already surpassed the entire volume of users for 11-12. As of the end of the processing year for 2011-12, which was September 23 we had over five million unique users that had successfully authenticated with the IRS. So these are people who chose to use the IRS data retrieval tool, successfully authenticated, and made it over to the IRS site. Unique users represent both students and parents so we can't really equate this number to the number of applications on which the tool was used because in some cases you have just the student, some cases you have just the parent, some cases you have both, but nearly 5.2 million users is pretty impressive. However, as of September 30 we already had almost 7.2 million unique users for 2012-13 and we still have about a year to go. So I ran some very recent numbers to see what the change was since the numbers were run for this slide and we've had about another 500,000 users since then so we're at nearly 7.7 million users total for 12-13.

An a very commonly asked question, which I thought I would address with this slide is when is the IRS data retrieval tool going to become available for 2013-14? We are attempting to create kind of a standard as to when that's going to be released from year to year and so we're trying to make it available on the first Sunday of February. And so this year that will be February 3.

I'm going to talk about some of the changes now that we're making to FAFSA on the web for 2013-14. One is a change throughout the site to replace URL's for our discontinued websites with URL for our new studentaid.gov website. So as I'm sure you all know there were a number of websites that we retired and those

were studentaid.ed.gov, college.gov, federalstudentaid.ed.gov, and ombudsman.ed.gov. So those were all replaced by studentaid.gov and so those references are throughout our website. And there's some really excellent material available on that website so what we're attempting to do is not duplicate information. Wherever possible we are providing additional links to studentaid.gov throughout FAFSA on the web in an attempt to direct our users to that website so they can search and get the best and most up to date information that's available.

As a result of discontinuing the websites we had to make an additional change to the FAFSA on the web home page because we provide a link to a public service announcement that we created several years ago, which has the college.gov logo at the bottom of the screen through the duration of that video. And coincidentally over the last several months we have been creating a series of new videos providing students with information form how do I apply for aid, tell me about loans, what are my repayment options? All the different things that they need to know throughout the time that they are applying for and receiving aid. And so we've replaced our link to the public service announcement with links to either federal student aids You Tube channel or to the resource page on studentaid.gov so that students can access those videos.

Now this is a change that should make everybody very happy because I know we've received a lot of feedback about this over the last year. We have had a very difficult time keeping up with how quickly browser versions are released. And we know that as the browser versions change more and more students are encountering a message that displays on FAFSA on the web when they are using a browser that we don't support. And basically what that means is that if we haven't tested it we can't be absolutely certain that it works exactly perfectly. But we want to make sure that the experience for the student is as good as it can be. We want them to be able to access our site. We want them to be able to complete and submit the application.

So we've made a decision that we will continue to block browsers that we know have security issues or that we know have display issues that would prevent students from being able to complete the application or that would create an experience that is just not the experience we want them to have. Those students who are using a blocked browser will continue to get a page that lets them know that they're not going to be able to proceed with the application but we've reworded the text on that page and we've renamed the page so it says blocked browser. It tells them why we block browsers

and it provides a listing of the URL's that they can access to get to the browser website so they can download the most recent version. As long as the student is not using a browser version that we block they will be able to complete the application without receiving any messaging from us and so we hope that this is going to eliminate a lot of the confusion that students have had over the last year or so.

We're also adding some messaging for FAFSA on the web for those students and parents who indicate that they will file their taxes. So we know particularly at the beginning of the year before the tax filing deadline that a lot of our students and parents are indicating that they will file and then we ask financial questions that are directing them to tax line numbers, which they of course don't have since they have not yet filled out their tax returns, and our guidance was somewhat lacking regarding what they should be doing. So starting in 13-14 if a student or parents indicates that they will file taxes then when they move to the next page in the application where they would start answering the financial questions the message that you see on the screen will display at the top of the page.

And basically what we're telling them is if your information for 2012 is similar to your information from 2011 then go ahead and use your 2011 information to complete the application and then come back later to make corrections after you have completed your tax return for this year. If it's not similar then they can use our income estimator tool, which is not a new tool but one that maybe people didn't notice was there. And that will help them calculate and estimated adjusted gross income and then we tell them to the best they can to answer the rest of the questions and come back later once they've completed their taxes to make corrections. And then we also take an opportunity to promote the IRS data retrieval tool by letting them know that when they do come back to make corrections if they're eligible to use the tool we recommend that they do that.

We're also making some changes to the format and the text around the IRS data retrieval tool filtering questions. So the filtering questions were added in 2012-2013 and basically they are a series of checkboxes and we use those to determine if the student or parent is someone who shouldn't be using the IRS data retrieval tool because the information that would come back from the IRS isn't the information needed to complete the FAFSA. So there are certain people that are completely filtered out of our pool of people who might be given the opportunity to use the tool because we know that they couldn't even get to the IRS, it's a parent that

doesn't have a Social Security number or something like that. But we have other categories of people where they very likely would be able to successfully connect to the IRS website but whatever information is there waiting for them is not the information that's needed for the application.

For instance, if they're married and they filed separately from their spouse if they bring back their own tax information but not their spouses tax information then they have not correctly answered the FAFSA questions so we don't want those people to go over and use the tool. If they filed an amended tax return that information is not in the IRS database that we are linking to so those people should not be using the tool. If they filed a Puerto Rican or foreign tax return they may also have filed a U.S. tax return and that information might be at the IRS but it's not all the information that's needed because they should be also including the information from the foreign or Puerto Rican tax return. So those people we want to prevent from using the tool. So we created the filtering question, as I said, it was a series of check boxes and what we found is that the layout of the question was confusing to some users and so we wanted to take another look at how we could simplify it for them.

And so what we've done is we have kept the questions although we've reworded some of them and instead of the check boxes we're presenting them as yes/no questions. What you don't see on the screen is the first two questions, which display only for married people asking if they filed separately or if they filed as head of household. Those questions continue to display for people who have a marital status of married. And then we have our amended tax return and our Puerto Rican or foreign tax return question. And then the last question that you see is one that's asking if the student or parent filed their taxes recently.

I think the way the question is currently worded we basically ask did you file recently and that's not really a very helpful question so we have elaborated just a little bit, so the question now asks if you filed electronically within the last three weeks or if you filed by paper within the last eight weeks. We do allow those people to use the tool but we want to let them know that they're information might not be at the IRS yet so it's an expectation setting question. If they answer yes we'll display a message to let them know the data might not be there but then we still give them the option to link to the IRS. If they answer yes to any of the previous questions then we just display a message that says you're not eligible to use the tool so go ahead and continue with the application.

We've also improved our help text related to the IRS data retrieval tool and we also on the help page, which lists out some kind of topic grouping. So if students parents are looking for help on specific topics they click on a link and then we display of related help topics we've added a grouping related to the IRS data retrieval tool. So in the past a student or parent would have to actually know the term in order to search for help related to that topic, it will be easier for them to find that information starting in January.

We're also making some changes to the sign and submit page so this is the last page in the application where the student and/or parent are letting us know how they want to sign the application. And it is our preference that they sign electronically with pin because we can process everything faster and it's less likely that they will have to do some follow up after the application is processed. So our current design provides with three different options for signing. They can sign with a pin, they can print a signature page and mail that in, or they can elect to have us process the application without a signature that results in a transaction that does not have a calculated EFC so there's always some follow up that's required when they choose that option.

We still are providing those three options but what we're doing is we're hiding the other two options behind a hyperlink so that we can more strongly encourage students and parents to sign with a pin. So you can see this is what the page will look like and you can see down towards the bottom of the page we're making an assumption that they want to sign with a pin. If they choose not to or if they do not have a pin or for whatever reason they can't sign with a pin there's a hyperlink right below the pin field that they can click on and if they click on that hyperlink then we give them the three separate options. We default the option to indicate still that they want to sign with a pin and then we give them a reason why they should be choosing that option because it's the fastest way, but we do still give them the other two options as well.

And we've also made some improvements to the confirmation page. So in the current design of the confirmation page we have a paragraph near the bottom of the bottom of the page letting the student know what they can expect to happen next. What we've done is we've revised that text to be more clear about what they can expect. We've done it so that it includes bullet points and is no longer in paragraph form and we've moved it up towards the top of the confirmation page because we believe that that's what

students really need to know. I clicked the button, I submitted my application, what is going to happen next? And we know that students are calling our customer service center to find out what do they need to do. We know they're calling you to find out what they need to do. So we want to put that information in front of them in a way that will be more helpful to them and it will be less likely that they'll have to ask somebody else the questions that we know we can already answer for them.

So in addition to modifying and moving that section we've also added some text in the section that tells students what they may be eligible for. Although we use the word estimate, we use the word may, and we try to be very clear that there's nothing on that confirmation page that promises that they are going to get a certain amount in grants and loans, student's don't understand that. We know they come to you acting like it's a legal document and we've promised them money and you better hand it over. We're trying to find ways to help them understand that there are rules around what they can qualify for and they need to understand what those rules are. We have a help topic that lists out the eligibility rules for them. You have to be a citizen or eligible non-citizen, you have to be attending a eligible school or eligible program. We talk about how they have to have a high school diploma, a GED, home school that sort of thing. So we've added text to the confirmation page with a hyperlink to that topic so that they can see what the eligibility criteria are.

And then we've also added some options down at the bottom of the page that allow applicants to share on Facebook or tweet on Twitter that they have completed their application. Is there a question? Somebody's working on it. So once the student submits the application if they want to share with their friends that they have completed the application they can choose to do that on Facebook, Twitter, or both. If they use the Facebook option there is a predefined message that they would be posting to their wall that includes the official FAFSA URL and they also have the option to type in their own message. And then for Twitter there's a predefined message that also includes the FAFSA.gov URL but applicants are able to type over that message if they want to. So they can communicate whatever message they want but we do give them the option to share with their friends in hopes that we are getting our URL out there and encouraging people who are interested in completing an application to do it through FAFSA.gov.

So this shows you what the confirmation page looks like. You can see that the first section gives you the what happens next text so it's bulleted and more prominent. And then on the right hand side we have the new sentence that talks about the eligibility criteria. And then we've also added some text below the section about loans letting people know that there are other options that they should look into related to different tax credits and things of that nature that are available. And that hyperlink will take them to the studentaid.gov page that talks about those different programs.

We have a few other updates that I don't have screenshots for because they're not nearly as fascinating as the ones I've already showed you. Any references to food stamps are being changed to supplemental nutrition assistance program or SNAP and that's because the food stamp program is no longer called the food stamp program so we're updating to match the changes made by that program. We also have made a change to the logic for when students are required to provide us with their high school's name, city, and state. So current logic is that if the student indicates that they have or will receive a high school diploma and they indicate that they'll be a freshman those are the people who are required to provide us with that information. We're making a change this year so that it's still based on their indication that they have or will receive a high school diploma but grade level is no longer a factor. So anybody who indicates that they have a high school diploma will be required to provide us with the name of the high school and the city and state.

And this is a screenshot of the current FAFSA on the web homepage, which hopefully everybody has seen. We made some changes in July and September to the application and we did communicate those changes to you through an announcement that was posted to IFAP. One of those changes was to our home page. We plan to continue to make enhancements throughout the year so I know in the past it has been our practice to kind of save all of our changes up for January 1 and communicate them all to you at the conferences and also through the summary of changes guide. But we plan to spread those changes out a little bit throughout the year and we typically – okay, our plan is to make those changes in April, July, September, and January. So we will continue to communicate January changes through the summary of changes guide but be looking on IFAP for announcements related to those other releases because we do have some really exciting changes that are coming up that we'll be letting you know about.

Before I turn this over to Jody, I do just want to make sure everybody's aware that we are demonstrating the FAFSA on the web website in Bayhill 25 throughout the rest of the conference. So if you are interested in taking a look of these changes on your own or if you're interested in taking a look at the studentaid.gov website please stop by.

Jody:

Good morning, everyone. I have one announcement I want to make before we get started talking about CPC processing changes. We just wanted to put out a reminder, you may have seen a tweet on it already that if you are a primary DPA if you could make sure that you've completed at of confirmation. If you have any questions about that we have staff in the resource room to help you answer those questions and walk you through that process if you need the assistance to do so.

All right, we're going to take a look at some 13-14 changes for CPS processing and **ISER** changes, some verification processing changes, as well as Pell LEU reporting enhancements for 13-14, which is where we're going to start. As you know we began implementing the Pell LEU reporting in late 2012-13 and for 13-14 we wanted to add in the rest of the enhancements that will certainly make it easier for you as we go through this process. So what we're adding in first of all is the percentage that NSLDS provides us for Pell LEU use on the ISER – I knew I'd get a couple of claps for that. That will make life easier. And we're also adding the Pell lifetime limit flag on the ISER as well so the screenshot at the bottom here, if you can see it, it's NSLDS block part of the ISER and you can see where we've added those changes.

The other enhancement we're adding is better communication to the students. So we're going to be providing a SAR comment for all Pell eligible students so that they understand their Pell LEU usage. If the student is Pell eligible for the first time and they have a zero basically as their Pell LEU we're just going to provide a general Pell comment. And thereafter we're going to provide a SAR comment for each 50 percent block of Pell LEU used so that the student, and we translate it in terms that the student can understand. So for example, if you have a student who has a Pell LEU percentage of say 67 percent that falls into the 50 percent or greater but less than 100 percent block and they would receive a comment that would inform that they've used the equivalent of one half to school year worth of Pell and that's in terms that the student can more easily understand.

We're also going to continue the Pell lifetime limit flags of H for high, C for close, and E for meeting or exceeding the Pell LEU limit and those are things that we introduced in 12-13 so we're going to continue to use those. And I'm going to show you for your reference the next three slides a little bit about the information of the SAR comment numbers that we added and you can see that we've included the column for the condition and then what the SAR comment says. So you can see how we've interpreted the percentage into school year terms for the student. So we have comments from 349 up to 357.

What I wanted to point out here just because I've gotten a question or two on it before the conference is on 357 you'll see it says greater than 350 percent but less than 400 percent and that's where our SAR comments go up to. And then the next block would be for those students who will get the H flag. So we already have a SAR comment for students who meet the high condition for Pell LEU and then the next one would be for close and the next one would be for exceeds. So we've covered SAR comments for all Pell LEU percentages by following that method.

Another new process for 13-14 includes the NSLDS pre screening process for the purpose of identifying unusual enrollment patterns that is going to require review by the financial aid administrator. NSLDS has been updated to add edits to identify records of applicants who have enrollment patterns that fall significantly outside the norm of what we would expect for somebody who's pursuing a degree. And we're going to identify those records with an NSLDS unusual enrollment history flag. The flag will essentially have one of three values that you'll see. There will be a value to let you know that there's no issue, which will be most of your students. And then we'll have a flag to identify an unusual enrollment history that requires review by the FAA to determine if it will be necessary to collect documentation for that student. And then there will be another flag to let the FAA know that you must review and collect documentation. For those two flags that I mentioned there will be a SAR comment code that's added and they will both generate C flags.

So let's take a closer look at what those flags are and how they're described. At this time you'll see we have a flag value of one, we're reserving that for FSA use only so for 13-14 for sure you won't see any flag value of one come over 'cause that's just for our use at this time. But as you can see from this chart, the flag values of two and three will both set a SAR comment and they'll both set a SAR C flag. Policy is providing guidance for FAA's about what

you must do to review the student's record when the conditions are met for flags two and three and how to determine if the documentation is required to satisfy the SAR C comment and if so what that documentation will be. I'd encourage you to attend sessions three and six where they'll talk more about the policy side of this part and helping you understand what the acceptable documentation is, but I do want to help explain a little.

When we're reporting information in the iServe for the unusual enrollment history flag we're looking at the number of schools the student received a Pell award within a certain number of years. And I think if you were at the general session, Jeff gave an example of if you had a student who received four Pell awards in one year from multiple schools or say from four schools that might raise an eyebrow. Now there might be a perfectly good reason for it but it probably warrants some looking in order to address that there might be Pell runner issue there.

With that said, if you receive an ISER that has a flag of two what we're letting you know is that student is at the threshold of an enrollment pattern that requires some review. So if this student had been previously enrolled at your school meaning that you're already one of the schools that are being counted then there may not be an issue with that student and you may not have to collect documentation or do review because you are already familiar with the student and has already attended your school. But if this student were new to your school and you're receiving this then this may require you to take the step of reviewing that record and getting documentation from the student.

If you have a student who receives a flag of three we're telling you that this student has exceeded that threshold of the enrollment pattern calculation that we've come up with and we want you to collect documentation from that student and meeting with that student. It may include counseling the student about what Pell LEU is, you know, that there's a limit to how much Pell money you can get over your entire time it takes you to get through college and you don't want to use that up before you're done pursuing your degree. Or it may be that you counsel the student on the direction of their program of study and how to actually finish up what they started. So those are just some examples of information where policy is preparing for guidance for you.

I wanted to also show you, as I mentioned, flags two and three will generate SAR comments and this slide shows you that we've added 359 and 360 for SAR comment numbers and the text and the

conditions that are met in order to have that SAR comment appear on a ISER.

Because we've added the pre screening process for the NSLDS unusual enrollment history we also have a post screening reason code that we've added for this exact purpose as well. It's post screening reason code 24 and if that record has had a change in their enrollment history and they now meet the criteria for the unusual enrollment history flags the resulting transaction will have a new value for the unusual enrollment history flag along with the appropriate SAR comment and C flag. And one other thing I wanted to point out are the years that we're looking at for the NSLDS unusual enrollment history calculation, we're looking at for 13-14, we're looking at 10-11, 11-12, and 12-13. So those are the years that we're reviewing when we're doing this calculation.

We've also made some changes to the edits associated with fields that are populated by using the IRS data retrieval tool. Since we don't have a reason to question data that comes over from the IRS data retrieval tool in the same way we do for self-reported data we've reviewed some of the existing edits for those fields that are populated by the IRS data retrieval tool. And if the student or the parent didn't make changes to those fields then we won't set the edits for those particular fields even if the conditions were met for the edit. That means that when we can determine that the applicant transfer data from the IRS data retrieval tool, they didn't change it or didn't change the information on the adjusted gross income fields and the federal income tax fields for the student and the parent we won't apply reject edits 12 and C for the parents and 3 G and C for the students or the AGI warning edits. We're hoping that this reduces the number of rejects you as FAA's have to handle in your office and it further simplifies the application process and experience for the students using the IRS data retrieval tool.

The income threshold for automatic zero EFC has increased from \$23,000 to \$24,000 for 13-14. And though it's not mentioned on this slide the AGI threshold for simplified needs test remains at \$49,000.

Now we're going to discuss some information regarding verification selection processing and our approach for 12-13. And I want to referenced first and foremost the federal register notice published on July 12 and its supporting the colleague letter that was published on July 17 where you can get more detailed

information about the acceptable verification documentation that you'll need.

We're introducing some new processes but we also have process that will remain the same and I want to touch a little bit on both of those. For processes that remain the same for 13-14 selection criteria will continue to be developed using statistical analysis like we always do to select the most error prone transactions. And applicants that bump up against our error prone risk model will continue to be selected for standard verification and they'll still have to verify all the fields that they would if they're a tax filer, which include household size, number in college, AGI taxes paid, untaxed pensions, and so on just like you always do. And they'll still have to verify if they're non-tax filers or household size number and college and income earned from work. That exists for 12-13, as it will in 13-14. And in addition if someone is selected for that standard verification meaning they've hit our error prone model, if they've indicated that they've received SNAP or paid child support you would also have to verify those items like you do now.

New for 13-14 we may also select applicants to verify only the receipt of SNAP if that happens to be the only means tested benefit that made them auto zero eligible. Or we may select them for verification and they will only have to verify child support paid and will only require that specific data to be verified. Also new for 13-14 are two new verification selection items including high school completion status and identity statement of educational purpose. And just for a little bit of background on that we have worked with OIG investigating fraud ring activity. You may be aware of some students perhaps on your campus that are either victims of identity and fraud ring activity or participants where they may have attempted to get financial aid fraudulently or were successful in doing so. And these two new verification elements are helping us in that effort with the OIG.

Among the things that remain the same again for 13-14 are all records with an EFC calculated including records with signature only rejects will be subject for verification selection. And our selection target, again, remains at roughly 30 percent. With that said, records that include information that have transferred data from the IRS and that remain unchanged and have provided logical information for household size and number in college will not be selected for verification, so they won't be part of that 30 percent group as well.

For the 13-14 verification process CPS will continue to set the verification flag on an applicant's ISER to indicate that they were selected for verification but new for 13-14 as a move toward more customized verification we're introducing a process that will place each applicant selected for verification into one of five verification tracking groups. The applicant's ISER will use a verification tracking flag, which is not a new field on the ISER that had been reserved for FSA use only, but it will now indicate the applicant's verification tracking group, which will be the V1 through V5. And the individual verification items that an applicant must verify will now just be based on the verification tracking group that the applicant was assigned.

Also new for 13-14 is a label change for the verification selection change flag. And for your reference this particular flag identifies a transaction that's now being selected for verification if prior to correcting it it hadn't been selected, so we've just updated the label on that.

This slide describes each of the verification groups and the group label description of what's required for verification data. Group 1 are for those students who are selected because they hit our risk error prone model for appearing to be error prone. So just like 12-13 you'd need to conduct standard verification and if the applicant indicates again that they've received SNAP or child support paid you'd have to verify those data elements as well. For group V2 the applicant would only need to verify their receipt of SNAP. For group V5 they'd only have to verify if child support paid. Group V4 is a selection criteria for a record that meets the condition for identity verification based on a risk model that we're currently developing for that purpose. And the applicant selected in this group would need to provide a signed statement of educational purpose and I believe if you recall from the general session we are providing that text to you. That should be coming shortly. And also their high school completion status, a high school diploma or equivalent or final transcripts. And if in this group, in V4, if they're selected for V4 they'd have to do the identity selection verification items but if they received SNAP or indicated child support paid, again, you would also have to verify those items.

Group 5 includes applicants who not only hit our error prone risk model but also our identity risk model and they essentially have to do all the standard verification. The verification for the identity elements and if they received SNAP or child support paid they'd have to verify those groups, so that person has to do the whole ball of wax.

A couple things that I do want to emphasize here is that for groups V4 and in V5 you're not going to have a lot of these students. We're taking a very conservative approach in our error model. You're just not going to see a lot of these.

One other item I wanted to display is a snapshot of what the ISER looks like and a little snapshot in FAA access related to the changes that we've made for verification. In the financial aid or in the FAA information section of the ISER you'll see where we have the verification tracking flag, again, not new, just indicating that they were selected for verification, the label change for the verification selection change flag, and also the verification tracking flag, which has a new use. And you'll see on the ISER we just indicate V3, but if you look in FAA access you'll see that we don't use the codes we actually spell out the definition of the code so that's the display for FAA access.

The next part of this presentation I just wanted to focus a little bit on our available documentation. Every time we do a CPS update we have these slides at the end of our presentation and for those of you seasoned, not jaded, but seasoned FAA's you are very – none of us are jaded – you are familiar with this documentation. And for those of you that are new to financial aid these are the things that you either need to have bookmarked, you can get these from FSA download or from IFAP. These should be bookmarked or perhaps even printed and you have a copy on your desk. These documents that we'll go over very quickly are invaluable to being able to answer questions related to processing.

We have the SAR comment and text guide, the ISER guide, and the summary of changes guide. Those should be pieces of information that you have handy at all times as well as a federal student aid handbook and the verification guide. And the last part of the presentation includes important dates that you'll want to know when various documentation is released, when software is available to you if you're an express user, as well as the beginning of the 13-14 processing cycle when FAFSA on the web will be available and when CPS begins processing, so all of those are at then portion of your slides.

So as it turns out we have a little bit of time remaining for some questions. So I see that we have a microphone here and we have a microphone here. If you have a question please line up at the microphone we'll take as many as we can. And, again, encourage you to if you have a policy related question the best sessions to

attend would be session three, session six, and the town hall meeting and we'll try and field most of your process questions. And if you are exiting quietly out that back door.

Audience: My first question is when about the student completes the FAFSA on the web one of the things that's displayed to our graduate professional students as well to our undergraduate students is the college rates. And that graduation rate and retention rate and transfer rate reflect undergraduate figures not graduate professional figures to the dismay of our graduate professional schools. So is it possible to have it displayed that those are undergraduate rates not reflective of our graduate and professional schools? That's one thing.

Presenter: As you may be aware we receive that information through NCEES and I believe it comes from the IPED's report. Does your school report that information like the reason why your rates –

Audience: It's undergraduates only.

Presenter: Right. Do you report like that statement when you submit your IPED's report.

Audience: Do we have a choice?

Presenter: I'm not sure if this is the official terminology, we've heard it referred to as caveat text.

Audience: I mean just the searches, when they complete this the ISER needs to say it's undergraduate rates, to us, I mean I don't think we have a choice.

Presenter: I understand that. I'm asking you a specific question about when your college reports your data to IPED's do you actually provide that information to IPED's letting them know that that information is specifically about your undergrad rates rather than your graduation rates, your grad rates, I mean.

Audience: Yes.

Presenter: You do, okay. So starting this year we are actually in addition to bringing the information about the graduation retention and transfer rates over and displaying it in FAFSA on the web we will also be displaying that caveat text. So those schools who are providing that information to IPED's will start to see that displaying in the same locations in FAFSA on web where we are

displaying those rates. So if you are a school that is providing that information through IPED's you'll start to see that displaying in FAFSA on the web as well.

Audience: Okay. And then my other question is about the IRS. When you were talking about the IRS filtering questions, which are great, those new additions, but what message will the student get when it's too early to do that IRS data retrieval prior to that February 3? Last year from a programming standpoint, for me, it was confusing when I got the IRS message, the IRS data retrieval tool message that said it was not available to them and it was kind of meant the same thing and I think that was the generic message and we did not program for that in that way. To me I would like to distinguish to between the two. It's not available because they have an issue or it's not available because it really was not available.

Presenter: So you're not talking about what the student sees you're talking about what the flag is that we're setting?

Audience: The flag.

Presenter: So my memory is hazy on this, but whatever it was we were setting to last year is not what we're setting it to this year. So last year we set it to, was it blank or five?

Audience: I think it was zero, it may have even been that zero, one, I can't remember either.

Presenter: So I think this year it's going to be blank, is that right?

Audience: I didn't bring my little cheat sheet of what it is.

Presenter: Yeah. I believe this year it's going to be blank of not available.

Audience: Good morning. The unusual enrollment, what information are we able to share with other schools to determine that and what makes it a situation where we designate someone a Pell runner, two times, three times they've withdrawn? I mean what do they do with that?

Jody: Yes, Jeff is here so he can – this is a little more policy, but it isn't a determination that you make it's we send you a flag to let you know that the information we have lets us know that the person is either at the threshold or is beyond the threshold of the calculation. We're not sharing with you what that calculation is. Jeff, is there anything you wanted to add to that?

Jeff: I think that's right. So we're going to do the internal and not telling you why we chose these people. We're still working on the guidance, as we said yesterday and she said today, but we'll be doing is asking, and it will be very few, asking the schools to have a conversation with the students to look into why this student went to these number of schools. We're inclined to right now if the student earned credits at those schools, no harm no foul. I mean they got a Pell grant there and credits that's a good thing, move on. But where they didn't needs a little more discussion about to try to sort out whether the student really had some problem, you know their family moved, somebody got ill, all those kinds of things versus they don't really have a good reason and they're probably people who are trying to take advantage of our system.

And then we're likely to make a decision, we'll give you some general guidance and it will be the institutional decision to make kind of like professional judgment but we're not quite there yet. I know it's kind of vague and it's coming up but we've got some work to do on it.

Audience: My question is on pushed ISER's. Every time the Pell LEU changes will schools receive new pushed ISER's?

Jeff: No.

Jody: No. They'll only receive a new push ISER if they hit the high flag, close flag, or the exceeds flag or they had already hit the high, close, or exceeds and now that's different. So it's only if they meet the condition for one of those flags that you get a new ISER. But if they're, to give you the reverse of that, if their Pell LEU was 125 percent and now it's 300 percent, no, you're not going to get a new pushed ISER for that. Only if it involves one of those flags, either hitting it or they hit it and now they or not so that you know that.

Audience: The second question is how regarding the additional application updates a high school diploma being required or, I'm sorry, for the high school names to be in the state to be listed for a high school recipient. How does that work for GED or home school students? What will show up for them?

Presenter: We don't display that question for those people. The FAFSA on the web logic is triggered based on the answer to their high school completion. So if they indicate they received a high school diploma then we display the questions asking them from what

school and in what city and state. If they respond in any other way then those questions never display for them at all.

Audience:

I had a question for you on slide 16 where you showed the two new buttons, the midyear enhancement for the FAFSA on the web home page. And just wanting to try to understand the logic a little bit better from going from one simple button to two when it appears to take you to the same login page. And that we've heard some schools say that applicants have actually called in being a little confused where they need to start a FAFSA but they're not new to a FAFSA so it's actually generating questions for schools more so than simplifying the process, so just wanted to know if you could share.

Presenter:

I can certainly share. I think this is one of those scenarios where you're going to have people where one solution works for them and I don't know it's just, you know some people are going to like it one way and some people are going to like another. We received a lot of questions with the old design. Apparently one big giant, screaming, yelling, flashing button it wasn't clear to people that they should click on it in order to do something. So we broke it out into the two because we hoped that people would be able to identify themselves better under a particular scenario. You're correct that no matter what they click on it goes to the same place. The process is absolutely the same as before. I think is a little bit of a psychology lesson. But I think what we were finding was that it was the people who were returning that were having the most difficulty because start here is clearer to somebody who has never been to the site.

So somebody who is filling out an application for the first time might relate better to a start here button, but if they're returning then they were a little confused. And we found that people were sometimes going off in a completely different direction you know like going off to one of our other websites by clicking on something on the top of the page. So we're always interested in feedback. A lot of the changes that I talked about today are based on feedback that we get from students. We're trying to make things better for them. This is one of those situations where I think one solution is going to make some people happy, another solution is going to make other people happy. If you can come up with a miracle solution that works for everybody please tell me about it.

Audience:

I'd say we go back to one button and either say enter her or come on in or something like that because the two buttons made it a little more complex, but thank you for your explanation.

Audience: Hi, thank you for this opportunity. We had a number of our students using data retrieval to update or attempt to update into the FAFSA. It seems that their problem was once they did the data retrieval on the IRS side they didn't release they had to go back to the FAFSA and finish it up, more or less enter their pin, do their signing. I'm wondering if it's going to be any clearer that you can go from here to do your data retrieval but that you must return here to the FAFSA on the web to finish the signing and entering your pin in order to fully complete your FAFSA.

Presenter: We haven't made any specific changes. When somebody chooses to use the IRS data retrieval tool we display a page letting them know that they're leaving the site and that they need to come back. When they're on the IRS site if they choose to transfer their data we bring them right back into their application.

Audience: You do.

Presenter: Absolutely, we do.

Audience: Okay. We didn't see that this year.

Presenter: Yes, they check the box that says transfer and that's the design that's been there from the very beginning and it drops them right back onto the next page in FAFSA on the web. Tells them at the top that they have successfully transferred their information, you know their data is displaying for them, and the application looks just like they did before they left with the next button and all the stuff to show that they need to continue navigating.

Feel free to stop by Bayhill 25, we can demonstrate it for you. If you have not seen it yourself we'd be happy to show it to you.

Audience: Hi. Thank you so much for taking our questions and doing this today. My name's Laura McElroy, I'm from UC San Diego and I had basically the same issue she brought up has been an issue for our school as well. And I believe it's the understanding students don't realize that even though they've transferred successfully, they come back to the FAFSA and they get the message that says you've transferred your data successfully, they hit save, and they think they're done, but that never gets transferred to our school as a new ISER.

That's been a big issue that we've had to counsel students about.

Presenter: Okay. We'll take that down as a recommendation.

Audience: The other issue that I wanted to ask about is the untaxed income including rollovers. So when families were filling out the application and answering the question on untaxed income they were directed not to include rollovers, but now that the data transfer process is automatic its pulling that number from the tax form and it included in their untaxed income whether or not it's a rollover. So they have no way to specify on the FAFSA application if that is a rollover and they don't realize that it is being included in a calculation when it shouldn't be, so there's no way to identify them either.

Presenter: And we have heard that. The issue that we have is that there's no way for the IRS to be letting us know the portion that's a rollover so the only way to bring the information in from the IRS is to bring the actual amount that is on the IRS tax return. We do have help topics on the IRS page that explain about the rollovers and we have help topics on the FAFSA on the web page that explain about the rollovers. If you have recommendations for other ways that we can communicate this to students please share them. You know we're kind of stuck because if it's not something that can be specifically identified on the IRS side, basically, we can only bring in what the IRS has. And it's been a while since I've looked at a tax return but my recollection is that that's the kind of thing that you always see kind of handwritten off to the side, which is not something that the IRS can then can [*crosstalk*].

Audience: Right. Yes, I understand the IRS doesn't provide whether or not it is but if the FAFSA could ask the family is any of this a rollover and if so how much then you have the answer to the question that you're excluding.

Presenter: So you're suggesting adding two new questions and then we subtract the value for them?

Audience: Right. Correct.

Presenter: I'll take that down as a suggestion as well.

Audience: Thank you for taking questions. My question has to do with the student that estimates or that uses the 2011 tax information. And even though they're reminded that they need to go back and update later will that be tracked in any way because, honestly, just to get them to do the FAFSA in the first place is a small miracle sometimes. And I think if it's left to the student I just don't see

how they're going to go back unless they're tracked somehow and reminded to update with the new tax information.

Presenter: What we've added this year is direction as to how they should be estimating their information but nothing else about the process has changed. So we continue on the confirmation page to provide some messaging that we added last year letting people know because they indicated that they will file that they need to come back later and make updates. And in addition to that we will be sending out emails to students who indicated that they will file sometime in the March timeframe letting them know that they need to come back and make updates. You can track these students at your campus by looking for the will file designation. You know if there's some follow up that you want to do with them that's something that you certainly could take a look at it. But other than communicating there isn't anything systematically that we are doing. It's exactly the same as in the past it's just that the guidance for how to estimate is what we didn't have before that we're adding this year. The process itself isn't changing.

Audience: Good morning, I'm Jim Bower from University of Miami and I'd like to offer a suggestion and then I have a question. The suggestion is related to the deferred immigration action and we get families, high school guidance counselors, and in one case a trustee for the institution who want to know how the students can access the federal aid programs with their new status. So the suggestion is that perhaps in the FAFSA on the website, since this is relatively new even though it's short-lived that some comment be noted that being granted that deferred status does not entitle the student to access to the federal aid programs and other federal funds. Particularly in our part of the country it's become quite an issue.

The question actually, and I know this isn't the verification session, I want to it yesterday, but you made a comment today that left me puzzled. The indication was that if a student was in V1 but also indicated child support paid and SNAP that they had to verify everything. But when would there be a situation where a student indicated SNAP and they would be in verification one?

Jody: Let me make sure I understand your question. If a student is in V1 that's because they've hit our error prone risk model and just like for 12-13 you have to go through if they're a tax filer or non tax filer and verify the standard items. And also if they received SNAP or indicated child support paid if they indicated that you would also have to verify that.

Audience: Is SNAP not – I'm a little far removed from the day-to-day stuff, but is SNAP not something that results in an automatic zero EFC?

Presenter: Not necessarily. SNAP by itself doesn't. It's based on the receipt of SNAP as well as having an income amount that is below the threshold.

Audience: My question is when we have students going from undergraduate status to graduate status and changing the various things on the FAFSA application we're getting some conflicting information. We've gotten long where it says they have to change certain questions like one, the bachelor question, you know receiving your first bachelor's degree by July 1, 2012. And we're finding that those students received Pell and they change that from no T S then they have to owe that Pell back. I've been told yes and no for that question. I've also been told no, don't change any of the questions. I've also been told yes, you have to change those questions like what's your grade level, are you going to be pursuing a master's degree, and if you are a master student going from no to yes. So what is the guidance on telling the students the correct information if they're going from undergraduate to graduate in the middle of the academic year?

Jeff: So, let me make sure. You have a student who when they filled out the FAFSA originally they filled out the questions because they were an undergraduate student and were going at least for, let's say, the fall semester, right. And then they completed their program and they're not going to be a graduate student in the spring. Okay. What they do is they do need to go back in and answer the questions as though they are a graduate student, which will then make that transaction a non Pell eligible transaction. This is the only case, I think the only case, where a student, we generally say that a student only has one EFC, right. Here's a case where they could have two because the situation could be the student could have been dependent as an undergraduate and immediately becomes independent and so we would no longer would ask for the parent questions and start asking for spouses and all that kind of stuff.

So this would be a case where the student, let's just say they were one transaction, no corrections as a undergraduate and then they made this change, transaction two as a graduate student you would pay the Pell on transaction one and make sure you report it as one. And transaction two is what they would get their loans on, their unsubsidized loans, but they should go in and make those changes.

It also happens the other way around where students think they're going to be graduate students and answer those things and then it turns out that they're not. You definitely have to do that because you won't have a Pell eligible transaction if you don't do that.

Presenter: So they do have to change that bachelor's question from no to yes because it's going to create a new transaction.

Jeff: If there isn't a dependency change because the student's already independent as an undergraduate you could make the argument and we have had the discussion that nothing matters just keep paying off that same one. But we need to have our data current as to what you paid so we need to know that you paid this Pell grant on this set of data and the loans on this set of data's. The systems won't stop you from paying it on the other one but you'd be making a mistake if the dependency status – well, if the dependency status changes you shortchange the student probably, but it really needs to be correct data.

Audience: I don't want to beat a dead horse, however, I'm not sure from your response that you understand how much extra work was put on the financial aid offices by the statement of congratulations you have successfully transferred your IRS data information. When you say congratulations it's a statement of finality and people think they're done and so they leave. And you have to scroll way down in order to see that there's even more where you have to click to submit. And we've had to create a pdf. Sheet with snapshots of the screens and step by step instruction, and email them individually to these people that are having difficulties. It's, you know you deal with it every day so you may be too close to it. From our standpoint when about a third of your parents and families are having a problem it really creates a burden on the financial aid office. So I just wish you would take out congratulations and put your IRS data retrieval has been transferred but you're not done you have to submit. So that's that.

And then also on the screen that you have up for returning users, I really think it would be helpful if you added a button that says transfer IRS data retrieval. 'Cause a lot of times people are just going back to that they're not thinking they need to make a correction and they don't understand where to go.

Presenter: I am taking down both of your suggestions and I just want to mention a couple of things that I'm not sure if you're aware of so just in case you're not. If a student starts and application and does

not submit it we do communicate to the student we let them know that they have a saved application on file and they need to come back and finish it up in order to submit it. And we do communicate that after seven days and then again after 14 days to let them know. So I do have the suggestion down and I have specifically added your recommendation that we remove congratulations, but I want to make sure that you're aware that we are tracking people who have not submitted their application to let them know that they're not done.

Audience: That they haven't submitted an initial application?

Presenter: An initial application, yes.

Audience: These people that have submitted applications we have FAFSA's for.

Presenter: So you're talking about corrections.

Audience: Yeah, we're talking about people needing to go back and do the IRS data retrieval.

Presenter: Okay, I wasn't clear on that. So is it specifically corrections or is it both applications and corrections that you're talking about?

Audience: What I'm talking about is the IRS data retrieval corrections. So that part of the application is satisfied.

Presenter: So just by a show of hands I want to make sure I'm representing the comment appropriately. Are we specifically talking about corrections or are there issues with people also not completing the application when they use the IRS data retrieval tool? Just corrections. Okay. All right, the second piece of that we have an announcement section on the home page, which you can't see on this screenshot. And we have added an announcement, which has been there for several months now to provide specific instructions for people who are returning to our website specifically to use the IRS data retrieval tool letting them know what they need to do.

That they need to click on the button and that when they get to the my FAFSA page that they need to choose the option to make corrections, they need to navigate to the finances page, and they need to use the tool from there. So that's something that we did add to the website because we've also received that feedback that students are being directed to go back to the website to use the IRS data retrieval tool and they were not sure how to go about that so

we did provide those instructions several months ago. So the current version of the website, I believe, has that text on it if you want to take a look and see what our instructions are saying.

Audience:

Great. And just one more thing, I have one more suggestion. Where you're asking people if it's been three weeks since they've filed their tax return, I think that the way it's worded could be confusing. I think it should say has it been at least three weeks instead of has it been three weeks 'cause when I think about that and I think, well, gee, no, it's been six weeks. I don't know if other people are reading it the same way I am but that's just my two cents on that.

Presenter:

Okay, I'll take down a note about that as well. We don't have time for any more questions but I see that there's a couple of people still standing so if you want to just come on up. We do have to get ready for the next – I got the cut it off notation in the back. Thank you very much.