



June 10, 2024

The Honorable Bernie Sanders
Chair, Senate Committee on Health,
Education, Labor and Pensions

The Honorable Virginia Foxx
Chair, House Committee on Education and the
Workforce

The Honorable Bill Cassidy
Ranking Member, Senate Committee on
Health, Education, Labor and Pensions

The Honorable Robert Scott
Ranking Member, House Committee on
Education and the Workforce

Dear Chairs Sanders and Foxx, and Ranking Members Cassidy and Scott,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA) and our roughly 3,000 member institutions, we write to request that Congress take action to require the Department of Education (ED) to delay its institutional reporting requirements for its new Gainful Employment (GE) and Financial Value Transparency (FVT) regulations to July 2025 in light of the unprecedented issues associated with ED's rollout of the simplified 2024-25 FAFSA and the devastating impacts those issues have had on financial aid offices and postsecondary education institutions.

NASFAA represents nearly 29,000 financial aid professionals who serve 16 million students each year at colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every 10 undergraduates in the U.S.

Importantly, this request does not mean that ED needs to delay its 2026 target for publishing GE and FVT metrics or for implementing associated warnings and acknowledgments when a program fails those metrics. Rather, our request would balance the timeframe institutions and ED have to implement their parts of the new rule. While the original timeline provided institutions just a few months to complete their part and provided ED with two years, our request gives institutions and ED each about a year to pull together their data and reporting schemas respectively, a fair compromise considering the significant amount of additional work institutions have been forced to take on this year because of the FAFSA issues.

FAFSA Simplification’s Rocky Rollout Necessitates More Time for Institutional GE Reporting

President Donald Trump signed the FAFSA Simplification Act¹ into law on December 27, 2020. The bipartisan legislation represented the most significant reform to the federal student aid application process in decades, making changes to both the student aid eligibility formula and to the application — the Free Application for Federal Student Aid, or FAFSA — by leveraging new data-sharing authority granted in the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act.

What should have been a triumph for ED and a game-changer for students and families became a nightmare for student aid applicants and financial aid administrators as it became clear that ED had not properly planned for its rollout of the 2024-25 “Better FAFSA.”

The online form’s release just before the January 1 statutory deadline — three months after it is typically made available — was in name only, as the first week of its launch revealed only short windows of availability, with most users denied access entirely. Once the website stabilized, myriad issues with the application surfaced that should have been identified and resolved through testing. Many issues remain outstanding², forcing students to use workarounds in the best case and, in the worst case, preventing applicants from completing their applications³, even today. ED has announced it won’t even begin to process paper FAFSAs until late June. To date, FAFSA completion among high school seniors is still 13.5%⁴ behind this time last year. Financial aid administrators are on the front lines of saving this year’s enrollment cycle and ensuring students don’t miss what could be their only chance at a postsecondary education.

The Department’s rushed efforts to implement the simplified FAFSA have compressed the financial aid process for incoming students from months to mere weeks. Postsecondary institutions have been continually forced to scramble and revise plans as ED repeatedly missed deadlines. For instance:

- Schools had to push application deadlines back when the FAFSA was delayed by three months
- Schools had to wait months after the FAFSA launch to begin making financial aid offers because ED’s process for sending FAFSA data to schools (Institutional Student Information Records, or ISIRs) was delayed

¹ <https://www.congress.gov/bill/116th-congress/house-bill/133>

² <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-issue-alerts>

³ <https://www.chronicle.com/article/the-fafsa-isnt-fixed-for-everyone>

⁴ <https://www.ncan.org/page/FAFSATracker>

- Schools had to delay making financial aid offers and push back student enrollment deadlines even once ISIRs were delivered when ED had to reprocess ISIRs due to errors with their calculation of the Student Aid Index and inaccurate data transferred from the Internal Revenue Service (IRS)
- Schools are still grappling with whether to push back payment deadlines due to ED's recent announcement that the process for schools to submit FAFSA corrections is delayed, potentially impacting disbursements of student aid

Impacts on Financial Aid Offices and Postsecondary Institutions

The FAFSA delays and errors have not only compressed months of work into weeks for the financial aid office. They have also added more work, such as:

- More individualized FAFSA help and troubleshooting for students struggling to complete the form, including long wait times on hold to speak with ED contractors
- Monitoring lists of FAFSAs with known errors to identify which students' data was correct so the school could make financial aid offers
- Manually entering FAFSA corrections and/or making interim student aid disbursements which will ultimately need to be reconciled due to the delayed opening of the school corrections process

Delaying Institutional GE/FVT Reporting Deadline Is Critical for a Successful GE/FVT Rollout

Postsecondary institutions this year are faced with more work and less time to do it because of ED's mistakes. And yet, ED expects institutions to take on an extremely burdensome new requirement — reporting institutional data for purposes of ED's new GE and FVT regulations. ED estimates a 400-hour burden for schools to comply with this requirement by October 1, the same date another burdensome annual requirement — the Fiscal Operations Report and Application to Participate (FISAP) — is due.

ED has argued that because GE reporting was also required as part of the 2015 rule, institutions likely already had reporting structures in place. However, this iteration is significantly broader in scope than the 2015 rule because of the addition of the FVT framework, which requires institutions that never had GE programs to develop reporting processes from scratch this year. Even for institutions that had GE programs in the past, it is highly likely that the intervening decade since the last reporting has included implementing new student information systems and/or the loss of institutional memory due to staff turnover and restructuring.

While ED also argues schools have had adequate time to prepare for this reporting since the final regulations⁵ were published on October 10, 2023, institutions had no way to start preparations until May 17, 2024 when ED finally released draft file layouts for public comment. To date, ED has only released two of six planned volumes of its NSLDS Financial Value Transparency and Gainful Employment (FVT/GE) User Guide⁶. Schools need to know what to report in order to comply with the reporting requirements, and ED hasn't yet provided them with what they need.

It is important to note that while many offices on campus will be involved with GE/FVT reporting, a recent NASFAA poll⁷ indicates that the financial aid office is the most likely office to lead the reporting effort, and they are the ones still struggling to get their heads above water due to the lasting negative impacts of the FAFSA rollout this year.

Of 120 comments ED received during its 60-day comment period for the GE/FVT reporting requirements last month, 3 out of every 5 respondents requested a delay. More than 70% noted the significant burden the reporting imposes on institutions that are already stretched thin due to this truly exceptional year of FAFSA issues. Even the few commenters who urged ED not to delay the reporting requirement have also made clear that ED must provide more training and clearer and more comprehensive guidance to ensure reporting is accurate.

Conclusion

ED should have learned a valuable lesson from its rushed implementation of the simplified FAFSA. Yet, we see the Department again rushing to meet a deadline — this one self-imposed — to begin implementing its GE and FVT framework.

When the Department determined a 2023-24 simplified FAFSA launch was impossible, it asked for and was granted a one-year extension from Congress. Schools want to comply with ED's regulations and are frantically trying to find a way to meet ED's October 1 institutional reporting deadline, but it is to the detriment of other priorities that have already fallen behind through no fault of their own.

The only way to save this year's enrollment cycle and avoid a drop in students enrolling in and completing postsecondary education is to let financial aid administrators continue to do what they do best — helping students apply for and receive financial aid to pay for college. The only

⁵<https://www.federalregister.gov/documents/2023/10/10/2023-20385/financial-value-transparency-and-gainful-employment>

⁶<https://fsapartners.ed.gov/knowledge-center/library/nslds-user-resources/2024-04-30/nslds-financial-value-transparency-and-gainful-employment-fvt/ge-user-guide-may-2024-update>

⁷https://www.nasfaa.org/ge_fvt_poll

way they can do that is to delay institutional GE and FVT reporting so they can focus their energy on getting students back on track for the 2024-25 academic year.

ED has been asked repeatedly^{8,9,10,11} to delay the reporting requirements by NASFAA and others, to no avail other than a two-month extension, which was granted before ED announced the delay in the institutional FAFSA corrections process opening, which is causing even more work for financial aid administrators who are already hanging on by a thread.

We respectfully request that Congress enact legislation to require ED to extend the institutional reporting requirements for the GE/FVT framework. This extension must be granted as soon as possible to keep schools from wasting their time scrambling to meet the current deadline with limited guidance and documentation from ED.

Thank you for your consideration of this request.

Regards,



Justin Draeger, President & CEO

⁸ https://www.nasfaa.org/uploads/documents/NASFAA_Letter_Requesting_Burden_Relief_Late_FAFSA_1.pdf

⁹ https://www.nasfaa.org/uploads/documents/ACE_Letter_Urging_ED_to_Delay_Implementation_of_FVT_GE_Reporting_Requirement.pdf

¹⁰ https://www.nasfaa.org/uploads/documents/Comments_GE_FVT.pdf

¹¹ <https://www.nasfaa.org/uploads/documents/ACEFVTandGEReportingRequirementsLetter.pdf>