

## **Supporting Statement for Paperwork Reduction Act Submissions 2010-2011 Free Application for Federal Student Aid (FAFSA)**

### **1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.**

Public Law 89-329, Sections 401-495, The Higher Education Act of 1965, as amended (HEA), mandates that the Secretary of Education "...produce, distribute and process free of charge a common financial reporting form to be used to determine the need and eligibility of a student for financial assistance." Section 483 of the HEA mandates that "the Secretary shall...use a common, simplified reapplication form..." that enables applicants who applied in previous years to submit a renewal application.

Federal Student Aid, an office of the U.S. Department of Education (hereafter "the Department"), subsequently developed the FAFSA to collect the data necessary to determine a student's eligibility to receive Title IV, HEA program assistance. For students that have previously submitted a FAFSA, the Department developed a renewal version of the FAFSA called the Pre-filled FAFSA that contains certain constant, preprinted data that the applicant need update only if the information has changed since the previous FAFSA submission. The Pre-filled FAFSA reduces the burden on applicants by presenting the information they previously submitted; enabling the applicant to provide updates to changed data.

The FAFSA is used to determine student eligibility for the following Title IV, HEA, federal student financial assistance programs: the Federal Pell Grant Program; the Campus-Based programs (Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and the Federal Perkins Loan Program); the William D. Ford Federal Direct Loan Program; the Federal Family Education Loan Program; the Academic Competitiveness Grant; the National Science and Mathematics Access to Retain Talent (SMART) Grant; and the Teacher Education Assistance for College and Higher Education (TEACH) Grant.

### **2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The purpose of the FAFSA is to collect personal and financial data from current or prospective students in order to perform a need analysis as described in Part F of the HEA and then determine a student's eligibility for financial aid. The need analysis results in an Expected Family Contribution (EFC) that postsecondary educational institutions use when determining the types and amounts of both federal and non-federal financial aid a student will receive. The information a student is required to provide on the FAFSA varies based upon his or her life circumstances. There are three regular EFC formulas for: dependent students, independent students without dependents other than a spouse and independent students with dependents other than a spouse. Only the EFC formula for a dependent student uses parental data. Therefore, the burden hour calculation varies based upon applicant type. (For burden hour estimates by applicant type, see Question 12)

After completing the FAFSA, the student submits the form to the Central Processing System (CPS) via the Internet or via the postal service. The CPS processes the data from the FAFSA, sends the student a Student Aid Report (SAR), and sends to schools the student has listed on the FAFSA an electronic Institutional Student Information Record (ISIR). To assist states in the awarding of state financial aid, an ISIR is also sent to the student's state of legal residence as well as the states of the schools the student has listed on the FAFSA. Financial aid administrators at those schools, or other Title IV participating schools selected by the student, may award federal student assistance on the basis of either the student's valid SAR or ISIR, both of which contain a student's identification information, the application data and the official EFC as calculated by the CPS.

The EFC is calculated in accordance with the statutory formula in Part F of the HEA and is intended to indicate a student's ability (and for dependent applicants, his or her family's ability) to contribute toward the student's cost of attending an institution of higher education. The following data elements are considered in determining the EFC:

- 1) The available income of (A) the independent student and the independent student's spouse, or (B) the dependent student and the dependent student's parents;

- 2) The number of dependents in the family of the student;
- 3) The number of dependents in the family of the student (excluding the parents) who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of Section 487 and for whom the family may reasonably be expected to contribute to their postsecondary education;
- 4) The net assets of (A) the independent student and the independent student's spouse, or (B) the dependent student and the dependent student's parents;
- 5) The marital status of the student;
- 6) The age of the older parent, in the case of a dependent student; and
- 7) Any additional expenses incurred (A) in the case of a dependent student, when both parents of the student are employed or when the family is headed by a single parent who is employed, or (B) in the case of an independent student, when the student is married and the student's spouse is employed or when the employed student qualifies as a surviving spouse or as a head of household under section 2 of the Internal Revenue Code of 1986.

The Secretary of Education uses a Simplified Needs Test (SNT) for calculating the EFC for families who meet the requirements of Section 479 of the HEA. SNT applies to families who have adjusted gross incomes less than \$50,000 per year, and who file or are eligible to file a form 1040A or 1040EZ, or who meet the alternative eligibility requirements in Section 479(b)(1). The Higher Education Reconciliation Act of 2005 added a provision in Section 479(b)(1) that, regardless of the type of tax return filed, a dependent student and/or parent, or an independent student and spouse, is eligible for the SNT if they received benefits from any of the following five federal means-tested benefit programs: Supplemental Security Income (SSI), Food Stamp Program, Free or Reduced Price Lunch, Temporary Assistance for Needy Families (TANF), and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The College Cost Reduction and Access Act (CCRAA) extended the period of time for receipt of federally means-tested benefits from 12 months prior to the start of the processing cycle to 24 months prior to the start of the processing cycle and added 'dislocated worker' as an additional eligibility criterion.

The six components of the Simplified Needs Analysis are:

- 1) Adjusted gross income;
- 2) Federal taxes paid;
- 3) Untaxed income and benefits;
- 4) The number of family members;
- 5) The number of family members (excluding the parents) in postsecondary education; and
- 6) An allowance (A) for federal and other taxes, as defined in Section 475(c)(2) of the HEA for parents and dependent students and in Section 477(b)(2) for independent students with dependents, or (B) for federal and local income taxes, as defined in Section 476(b)(2) of the HEA for independent students without dependents.

Section 479(c) of the HEA further simplifies the process by permitting the automatic determination of an EFC of zero (Automatic Zero) for families who have adjusted gross incomes of \$30,000 or less, and who file or are eligible to file a form 1040A or 1040EZ or who received benefits from one of the federal means-tested benefit programs described above, or for those who meet the dislocated worker criteria. Other income and assets are not included for the purpose of calculating an automatic zero EFC. Independent students with no dependents other than a spouse are not eligible to receive an automatic zero EFC determination.

The data element justification explains the purpose and use of each element in the need analysis determination for each of these programs. In addition to calculation of financial need for the various Title IV programs, the FAFSA also collects data that allows for a determination of a student's eligibility for state and school financial aid programs.

If these data elements were not collected, the Department would be unable to make a determination of financial need and subsequently would be unable to award any Title IV, HEA program assistance, as mandated by the HEA. A majority of states would also be greatly hindered in their calculation of state aid to students.

Finally, there are no uses of the FAFSA other than the ones previously described.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology.**

Section 483 of the HEA mandates that “The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, including private software providers, shall develop an electronic version of the form.” Subsequently, the Department developed FAFSA on the Web and Pre-filled FAFSA on the Web as companion pieces to the paper FAFSA. Both electronic applications are accessible via [www.fafsa.ed.gov](http://www.fafsa.ed.gov). For the 2010-2011 award year, the Department will offer the following electronic means of application:

***FAFSA on the Web & Pre-filled FAFSA on the Web (Formerly ‘FAFSA Renewal’)***

Since 1998, students and their families have been able to complete and submit an electronic application for student financial assistance via FAFSA on the Web. In the years since, this Internet-based application, available in both English and Spanish, has been the primary entry point for tens of millions of students who wish to be considered for federal, state and school financial aid. As electronic application submission rates continue to rise, the Department endeavors to improve FAFSA on the Web.

FAFSA on the Web uses the commercial encryption protocols available in the most commonly used Internet browsers. Initially, the Department required the strongest encryption levels available commercially (128-bit encryption). As requested by the Office of Management and Budget (OMB), since March 8, 1998, the Department has given applicants a choice to use both 40-bit and 56-bit encryption. This step has greatly improved customer access to FAFSA on the Web while still retaining necessary security safeguards for student and parent information. In compliance with the Americans with Disabilities Act, FAFSA on the Web will continue to be accessible to visually impaired applicants for the 2010-2011 award year cycle.

The Department continues to be committed to providing electronic applications. All methods of electronic application share the following benefits:

- 1) Faster processing than paper FAFSA;
- 2) Reduced rate of rejection. (Approximately 8% for all paper FAFSAs and 0.5% for electronic FAFSAs are rejected. These percentages exclude signature rejects.);
- 3) Internal and end-of-entry edits to ensure that all required fields are completed and all conflicting data are resolved prior to submission. (Contributes to reduced rejection rate, above);
- 4) Skip logic, which helps shorten FAFSA on the Web by allowing applicants to skip questions that do not pertain to them;
- 5) FAFSA on the Web pre-fills certain questions based on earlier answers; and
- 6) Availability of online help.

For the 2010-2011 award year cycle FAFSA on the Web and the Pre-filled FAFSA will be further improved by the implementation of significant enhancements facilitated by a web technology upgrade. The upgraded application will include new features, functionality and a level of user interaction that was not previously available. The web site display and navigation will be much more dynamic and personalized. Some of the changes include:

1. Enhancement of the applicant experience
  - a. Generally, the web flow logic has been updated to provide applicants an early indication of eligibility to receive federal student aid.
  - b. Status indicators guide applicants through web modules (e.g., student demographics, basic eligibility, and dependency status). Student and parent sections of the application are more clearly identified.
  - c. Dynamic question labels, help text and instructions based on applicant profile (e.g., marital status, responses to tax filing status, type of tax return filed).
  - d. Updated navigation reduces the number of pages and length of the application.

2. Implementation of enhanced web flow logic. Some examples of this enhanced web logic include-

- a. **Questions 18-20 (State of Legal Residence)** - More often than not, the applicant's state of legal residence is the same as that reported in the mailing address. The state of legal residence and date of residency questions will be suppressed for those that indicate they are the same.
- b. **Question 23 (Drug Convictions)** - This question applies only to applicants who have received financial aid in a prior year. Therefore, this question will not appear for applicants who indicate that they will be a first-time college student in 2010-2011 or applicants that indicate they have never received federal student aid.
- c. **Questions 56-58 (Homelessness)** - These questions will not appear for applicants who have already been determined to be independent as a result of their age, marital status, year in school, etc. For dependent applicants, a screening question will display to ask "Are you homeless or at risk of becoming homeless?" Applicants that answer "No" to this question are not presented the homeless questions. Applicants that answer "Yes" to this question will be presented an easy-to-scan list of homeless circumstances that can be selected to indicate homeless status.
- d. **Questions 44-45 and 92-93 (Additional Financial Information and Untaxed Income)** - These questions will be presented in a much simplified "check box" format. Keywords will replace specific line references and applicants will be prompted to report amounts on the topics they select.
- e. **Simplified Needs Test and Automatic Zero EFC Determination** - These determinations will be made in a more applicant friendly manner by determining students income eligibility prior to asking questions about federal means tested benefits or eligibility for filing an IRS 1040A or 1040EZ. Applicants that do not meet the income requirement will not be presented these unnecessary questions.

#### ***FAA Access to CPS Online***

Since 2002, Financial Aid Administrators (FAAs) at participating Title IV postsecondary educational institutions have had the ability to input and transmit a student's original or Pre-filled FAFSA data over the Internet via FAA Access to CPS Online. Providing this tool to FAAs greatly increases the likelihood that prospective college students from traditionally underrepresented or economically disadvantaged groups will complete the financial aid application process electronically.

#### ***FAFSA4caster***

In addition to helping families make informed decisions as they plan for college well in advance of the student's senior year in high school, FAFSA4caster pre-fills the FAFSA with certain data that the applicant needs to adjust only if the information has changed since the previous FAFSA4caster submission. This significantly reduces the time it takes for the student to complete the FAFSA in their senior year of high school. FAFSA4caster instantly calculates an estimate of the student's eligibility for federal student aid, including grants; reduces the time it will take to complete the FAFSA; and simplifies the financial aid process for students and families.

#### **4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use of the purposes described in Item 2 above.**

The collection requirements for the FAFSA do not contain any duplication of data elements. The Pre-filled FAFSA contains the same questions as the FAFSA, but the Pre-filled FAFSA is filed in place of, not in addition to, an original FAFSA. The Pre-filled FAFSA does not require responses to items that were reported previously and do not need updating. Required responses are limited to income and asset questions that are likely to change from year to year.

The SAR collects some corrected information that duplicates information collected by the FAFSA. However, the SAR is the output document containing data that are derived from the application and does not duplicate the process of initial data collection.

Although the collection requirements for the FAFSA do not contain any duplication of data elements, several of the FAFSA data elements reference information that is obtained from income tax returns filed with the Internal Revenue Service. In an effort to reduce the need for applicants to have to locate tax returns and manually enter the income tax

information, the IRS Data Share project was conceived. The IRS Data Share is a collaborative effort between Federal Student Aid and the Internal Revenue Service to develop a framework for data sharing. It allows FAFSA on the Web applicants to authenticate through the Federal Student Aid PIN web site to access a new IRS web site. This effort will result in the ability of applicants to transfer their tax data to FAFSA on the Web via an application program interface (API).

On January 1, 2010 the new process will be made available to the remaining 2009-10 FOTW applicants as a pilot process. In mid-summer of 2010, the new process will be made available to the remaining 2010-2011 applicants when the 2009 IRS tax data is available.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**

Title IV participating postsecondary educational institutions may contract with small businesses as third-party servicers to perform work normally completed by the institution. The tasks the third-party servicer would complete with regard to the completion and submission of FAFSA data mirrors the process that the institution would follow, therefore, burden is minimized to the extent that these changes have brought about a reduction in burden to the user, whether it is the institution or the institution's contracted third-party servicer. Otherwise, the FAFSA is not used by small businesses or other small entities.

**6. Describe the consequences to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The HEA requires the determination of the student's need for Title IV, program assistance on an annual basis. If these data elements were not collected, the Department would be unable to make a determination of financial need and subsequently unable to award any Title IV program assistance, as mandated by the HEA.

If the data were collected less frequently, the Department would be in violation of the law. However, although a student must reapply and receive a new need analysis for every year that financial aid is requested, use of the Pre-filled FAFSA reduces the amount of new data that a student must provide.

**7. Explain any special circumstance impacting the information collection.**

The 2010-2011 FAFSA does not collect information in a manner that would invoke special circumstances, as described in the Paperwork Reduction Act submission instructions.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

A Notice opening the 60-day public comment period was posted in the Federal Register on September 4, 2009. As a result of this Notice, the Department received public comments. The attached document provides information about each comment and the Department's disposition of each.

A second Notice opening a 30-day public comment period was posted in the Federal Register on November 9, 2009.

In addition, the Department's established 'FAFSA workgroup' includes representatives from National Association of State Student Grant and Aid Programs (NASSGAP), National Association of Student Financial Aid Administrators (NASFAA), Federal Student Aid, the Department and Title IV participating postsecondary educational institutions. The workgroup solicits feedback from the public and makes appropriate changes. Department staff also actively solicits comments on the draft 2010-2011 FAFSA at conferences, including Federal Student Aid's national conferences, the NASFAA conference and through smaller venues such as college fairs and community presentations.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Individuals who choose to complete the 2010-2011 FAFSA are applying for federal benefits. They do not receive payments or gifts for the completion and submission of the FAFSA.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

The confidentiality of the data collected by the 2010-2011 FAFSA is discussed in the Routine Uses section of the System of Records Notice for the Federal Student Aid Application File published on page 30159 of the Federal Register dated June 4, 1999 and updated on page 72407 on December 27, 1999; page 11294 on March 2, 2000; and page 18758 on April 11, 2001. A section on Privacy, printed on Page 10 of the application package, informs the student that the postsecondary educational institutions and the corresponding state agencies for each of the educational institutions to which the student requests his or her data be sent will have access to the data, and that the financial aid agency(ies) in his or her state of legal residence will receive certain information, even if the student does not consent. In addition, agencies such as law enforcement agencies, OMB, the Department of Justice, the Government Accountability Office, Congress and entities such as the Inspector General's office have access to the data.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

Except for question 23 (have you been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid) and questions 24 and 25 (what is your parents' level of education), the FAFSA does not contain questions of a sensitive nature beyond those needed to obtain the information necessary to determine an EFC.

Question 23 is used to determine a student's eligibility for Title IV assistance in accordance with section 484(r) of the HEA. Questions 24 and 25 are used by some state grant and scholarship programs, some institutions, and the TRIO programs, which give special consideration to first-generation college students. The FAFSA instructions inform applicants that their responses to questions 23 and 24 do not affect their eligibility for federal student aid used to attend an institution for postsecondary education.

**12. Provide estimates of the hour burden of the collection of information.**

Application projections are based upon the *Projections of Education Statistics* prepared by the U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System. For Fall 2010, enrollment projections are 18,785,000. Due to the unusually high increase in applications during the current cycle, internal projections indicate that applications for 2010-2011 may exceed the estimates provided in the *Projections of Education Statistics*. Therefore, we are projecting an additional 15.5 percent increase, resulting in a final projection of 21,696,675 for total applicants.

The number of responses for the 2010-2011 FAFSA is estimated on the basis of one response per FAFSA submitted. The total applicant population comprises significant cohorts of individuals who, by statute, are required to complete only certain segments of the FAFSA. The HEA mandates certain data elements for specific populations.

Federal Student Aid has reassessed the estimated burden to the public to complete the FAFSA. Previous estimates did not fully reflect the time required to perform some ancillary processes associated with the completion of the application process. The four components now included in the average burden are as follows –

- FAFSA Preparation: Review filing instructions and gather the documents necessary to complete the applications (e.g., paper FAFSA, copies of W-2 Forms, Student/Spouse and/or Parent's Federal Income Tax Returns, bank statements).
- FAFSA Completion: Data entry (paper or electronic), reference instructions, on-line help or customer service.

- FAFSA Submission: Review Certification Statement, apply signatures and if necessary, obtain postage and mail.
- Recordkeeping: Make copies of paper forms or print electronic outputs, store documents for future reference.

We have used professional judgment, programmatic experience and public comments to inform these estimates. In addition, we have reviewed the methodologies used by other federal agencies (IRS, SBA, HUD, NIH and EPA) in the calculation of burden for similar processes. The following estimate continues to take into consideration the burden hour calculations for each unique applicant subpopulation (e.g., dependent vs. independent students) and the type of application (Web or paper) filed by each applicant.

See the following tables for updated FAFSA volume and burden projections –

**Table 1. 2010-2011 Application Volume Projections and Reassessed Burden Projections**

	Type of FAFSA Respondent (Independent or Dependent)	Estimated Number of FAFSA Respondents (Volume)	2009-2010 Burden	Adjustment to 2009-2010 hours due to the increase in respondents	Burden Adjustments Reassessment of FAFSA completion activities	Burden Adjustments Hours Reassessment of FAFSA completion activities	Initial FAFSA Burden Hours	Initial Total Burden Hours	Program Change Decrease as a result of Simplification
<b>FAFSA Paper Form</b> - Traditional paper FAFSA that is printed by the government and distributed nationally to schools, libraries, etc.	Dependent - 54%	117,162	89,692	23,955	2.15	251,898	3.12	365,545	0
	Independent - 46%	99,805	68,528	18,302	1.85	184,639	2.72	271,470	0
	Subtotals	<b>216,967</b>	<b>158,220</b>	<b>42,257</b>		<b>436,538</b>		<b>637,015</b>	<b>0</b>
		1%							
<b>FAFSA on the Web</b> - Web-based version of the FAFSA that is available via the Internet.	Dependent - 54%	5,623,778	2,751,797	734,945	1.06	5,961,205	1.68	9,447,947	-1,405,945
	Independent - 46%	4,790,626	1,587,955	424,108	0.86	4,119,938	1.28	6,132,001	-958,125
	Subtotals	<b>10,414,404</b>	<b>4,339,752</b>	<b>1,159,053</b>		<b>10,081,143</b>		<b>15,579,948</b>	<b>-2,364,070</b>
		48%							
<b>FAFSA Electronic</b> - Also known as FAA Access. Electronic version of the FAFSA that can be used by Financial Aid Administrators, third-party servicers, etc.	Dependent - 30%	455,630	294,865	78,752	1.70	774,571	2.52	1,148,188	0
	Independent - 70%	1,063,137	578,942	154,623	1.30	1,382,078	1.99	2,115,643	0
	Subtotals	<b>1,518,767</b>	<b>873,807</b>	<b>233,375</b>		<b>2,156,649</b>		<b>3,263,830</b>	<b>0</b>
		7%							
<b>FAFSA EZ</b> - FAFSA on the Web is front-loaded with questions that identify certain applicants as being eligible for an "automatic zero EFC." This reduces the information collection burden for those applicants who are most in need of financial aid.	Dependent - 35%	151,877	23,973	6,403	1.18	179,215	1.38	209,590	-22,782
	Independent - 65%	282,057	44,521	11,891	0.93	262,313	1.13	318,724	-42,309
	Subtotals	<b>433,934</b>	<b>68,494</b>	<b>18,293</b>		<b>441,528</b>		<b>528,315</b>	<b>-65,090</b>
		2%							
<b>Pre-filled FAFSA on the Web</b> - The Pre-filled FAFSA contains certain constant, preprinted data and an applicant need only update those data elements that have changed from the prior year. Data elements are identical to those on the FAFSA, but fewer responses are required of applicants.	Dependent - 46%	3,892,383	1,290,214	344,587	0.96	3,736,688	1.38	5,371,489	-778,477
	Independent - 54%	4,569,320	1,406,413	375,622	0.59	2,695,899	0.98	4,477,934	-913,864
	Subtotals	<b>8,461,703</b>	<b>2,696,627</b>	<b>720,210</b>		<b>6,432,586</b>		<b>9,849,422</b>	<b>-1,692,341</b>
		39%							
<b>Pre-filled FAFSA Electronic</b> - Electronic version of the Pre-filled FAFSA that can be used by financial aid administrators, third-party servicers, etc.	Dependent - 30%	195,270	64,727	17,287	1.45	283,142	1.87	365,155	0
	Independent - 70%	455,630	140,240	37,455	1.10	501,193	1.49	678,889	0
	Subtotals	<b>650,900</b>	<b>204,967</b>	<b>54,742</b>		<b>784,335</b>		<b>1,044,044</b>	<b>0</b>
		3%							
<b>Volume Projections</b>			<b>8,341,867</b>	<b>2,227,930</b>		<b>20,332,779</b>		<b>30,902,574</b>	<b>-4,121,500</b>

**Table 2. 2010-2011 Final Burden Projections**

	Type of FAFSA Respondent (Independent or Dependent)	Estimated Number of FAFSA Respondents (Volume)	Burden Adjustments Reassessment of FAFSA Burden	Net Increase in Burden for 2010-2011	Total Burden for 2010-2011
<b>FAFSA Paper Form</b> - Traditional paper FAFSA that is printed by the government and distributed nationally to schools, libraries, etc.	Dependent - 54%	117,162	2.15	275,853	365,545
	Independent - 46%	99,805	1.85	202,941	271,469
	Subtotals	<b>216,967</b>		<b>478,795</b>	<b>637,015</b>
		1%			
<b>FAFSA on the Web</b> - Web-based version of the FAFSA that is available via the Internet.	Dependent - 54%	5,623,778	1.06	5,290,205	8,042,002
	Independent - 46%	4,790,626	0.86	3,585,921	5,173,876
	Subtotals	<b>10,414,404</b>		<b>8,876,126</b>	<b>13,215,878</b>
		48%			
<b>FAFSA Electronic</b> - Also known as FAA Access. Electronic version of the FAFSA that can be used by Financial Aid Administrators, third-party servicers, etc.	Dependent - 30%	455,630	1.70	853,323	1,148,188
	Independent - 70%	1,063,137	1.30	1,536,701	2,115,643
	Subtotals	<b>1,518,767</b>		<b>2,390,024</b>	<b>3,263,831</b>
		7%			
<b>FAFSA EZ</b> - FAFSA on the Web is front-loaded with questions that identify certain applicants as being eligible for an "automatic zero EFC." This reduces the information collection burden for those applicants who are most in need of financial aid.	Dependent - 35%	151,877	1.18	162,836	186,809
	Independent - 65%	282,057	0.93	231,895	276,416
	Subtotals	<b>433,934</b>		<b>394,731</b>	<b>463,225</b>
		2%			
<b>Pre-filled FAFSA on the Web</b> - The Pre-filled FAFSA contains certain constant, preprinted data and an applicant need only update those data elements that have changed from the prior year. Data elements are identical to those on the FAFSA, but fewer responses are required of applicants.	Dependent - 46%	3,892,383	0.96	3,302,798	4,593,012
	Independent - 54%	4,569,320	0.59	2,157,657	3,564,070
	Subtotals	<b>8,461,703</b>		<b>5,460,455</b>	<b>8,157,082</b>
		39%			
<b>Pre-filled FAFSA Electronic</b> - Electronic version of the Pre-filled FAFSA that can be used by financial aid administrators, third-party servicers, etc.	Dependent - 30%	195,270	1.45	300,428	365,155
	Independent - 70%	455,630	1.10	538,648	678,888
	Subtotals	<b>650,900</b>		<b>839,076</b>	<b>1,044,043</b>
		3%			
<b>Total Projections and Total Burden Projections</b>				<b>18,439,208</b>	<b>26,781,075</b>



**13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information.**

There is no annual cost burden to respondents or record keepers.

**14. Provide estimates of annualized cost to the federal government.**

Below are the projected costs to the federal government to produce, process, and distribute the 2010-2011 FAFSA, FAFSA on the Web, Pre-filled FAFSA on the Web, and the electronic versions of the application. The projections include the costs associated with our eligibility determination system, the CPS and other FAFSA costs like printing and customer service. See the following (Table 3) for full details.

**Table 3. Annual FAFSA Costs**

<b>1. CPS Projected Costs</b>	
<b>CPS III Operations, Development and Maintenance*</b> Includes mainframe development and processing; software; system security and protection; capacity; storage (tape backup and optical); printing; etc. Also includes web-based productions and operations and eligibility determination production and operations.	\$22,153,994
<b>Image and Data Capture (IDC) and Common Origination and Disbursement (COD) Ancillary*</b> Includes the delivery of data entry services resulting from the paper FAFSA and other related forms transmitted through a reliable and secure data capture system. Processing operations will include the receipt of FAFSA forms and the timely imaging, data capture and transmission of data and images for processing. A portion of these costs are attributed to the COD ancillary documentation services.	\$8,388,374
<b>Subtotal</b>	<b>\$30,542,368</b>
<b>2. Other FAFSA Projected Costs</b>	
<b>FAFSA Design</b>	
Contractor Support and Usability Testing	\$60,000
<b>Paper FAFSA Availability and Distribution</b>	
Printing of paper	\$277,365
Distribution/Postage for paper	\$72,254
<b>FAFSA related Customer Service</b>	
Federal Student Aid Information Center (FSAIC)* Includes FSAIC annual operations and maintenance. FSAIC is responsible for calls, e-mails, online live help, and ombudsman cases.	\$22,183,828
ED Services Operations and Maintenance* Includes annual operations and ongoing maintenance for written correspondence	\$871,462
<b>Subtotal</b>	<b>\$23,464,909</b>
<b>Total Annual Projected Costs</b>	<b>\$54,007,277</b>

*\*Based upon Front End Business Integration (FEBI) Contract. Contract Year 4 (February 2008 – January 2009)*

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

Adjustments to 2010-2011 FAFSA Burden Estimates

The reassessed FAFSA completion burden estimates are intended to fully reflect the time required to perform all processes associated with the completion of the FAFSA. Again, the four components now included in the average burden are FAFSA Preparation, FAFSA Completion, FAFSA Submission and Recordkeeping. These adjustments yield an estimated burden increase of **20,332,779**. In the future FSA plans to implement additional rigorous tools and analysis in order to more thoroughly refine applicant completion times. Additionally, the increased volume projections of 15.5% for a total of 21,696, 675 applicants and the anticipated increase in applications during the 2010-2011 cycle, yield an estimated burden adjustment increase of **2,227,930**.

The total adjustments that affect all six ICs is as follows --

Reassessment Adjustment:	<b>20,332,779</b>
Volume Increase Adjustment:	<b>2,227,930</b>
<b>Total Adjustment:</b>	<b>22,560,709</b>

Program Change Burden Decrease

In addition to the reassessment adjustments, FSA has further refined our estimates based our FAFSA “simplification” efforts. We believe our efforts to streamline the application, will reduce the time required to complete the electronic formats.

For example, starting in July 2010, applicants will have an opportunity to access an Internal Revenue Service (IRS) website to view and, at their discretion, download data required for the FAFSA that was previously reported to the IRS. It is anticipated that this solution will reduce the amount of preparation time. Applicants that have valid social security numbers, and have filed their 2009 tax returns and do not report a marital status change after December 31, 2009, will be presented the “Link to the IRS” option and may pre-populate up to 18 (student and parent) financial data elements.

These program change burden reductions will affect three ICs: FAFSA on the Web, FAFSA EZ and Pre-filled FAFSA on the Web, resulting in a net burden reduction of **4,121,500**.

In summary the adjustments and program changes have resulted in a total FAFSA burden for 2010-2011 of **26,781,075** burden hours, as demonstrated in Table 4.

**Table 4. Summary of FAFSA Burden for 2010-2011**

Adjustments to 2010-2011 FAFSA Burden Estimates	22,560,709
Program Change to 2010-2011 FAFSA Burden Estimates	<b>- 4,121,500</b>
Net Change to FAFSA Burden Estimates for 2010-2011	18,439,209
Net Change to FAFSA Burden Estimates for 2010-2011	18,439,209
2009-2010 FAFSA Burden Total	<u>+ 8,341,867</u>
<b>Total FAFSA Burden Hours for 2010-2011</b>	<b>26,781,075</b>

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used.**

The results of the collected information will not be published for tabulation or publication.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The expiration date for OMB approval will not be included on the 2010-2011 FAFSA for design reasons, although the OMB control number is displayed. The term of approval and use of the form is apparent in the first-page instructions that inform applicants to send in the form between January 1, 2010 and June 30, 2011.

**18. Explain each exception to the certification statement identified in Item 20, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

Exceptions to the certification requirement are not requested for this information collection.