

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section¹. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.

Section 483, of the Higher Education Act of 1965, as amended (HEA), mandates that the Secretary of Education "...shall produce, distribute, and process free of charge common financial reporting forms as described in this subsection to be used for application and reapplication to determine the need and eligibility of a student for financial assistance..."

The determination of need and eligibility are 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 Teacher Education Assistance for College and Higher Education (TEACH) Grant; and the Iraq and Afghanistan Service Grant.

Federal Student Aid, an office of the U.S. Department of Education (hereafter "the Department"), subsequently developed an application process to collect and process the data necessary to determine a student's eligibility to receive Title IV, HEA program assistance. The application process involves an applicant's submission of the *Free Application for Federal Student Aid* (FAFSA®). After submission and processing of the FAFSA, an applicant receives a *Student Aid Report* (SAR), which is a summary of the processed data they submitted on the FAFSA. The applicant reviews the SAR, and, if necessary, will make corrections or updates to their submitted FAFSA data. Institutions of higher education listed by the applicant on the FAFSA also receive a summary of processed data submitted on the FAFSA which is called the Institutional Student Information Record (ISIR).

The specific questions that applicants are asked to answer in the application process are described separately in the *Data Elements and Justification* document. The document lists all the data elements, and explains the purpose and use of each data element in the application. In addition to the calculation of financial need for the various Title IV programs, the FAFSA also collects data that allows for a determination of an applicant's eligibility for state and institutional financial aid programs. If these data elements were not collected, the Department and institutions of higher education would be unable to make a determination of financial need and subsequently would be unable to award any Title IV, HEA program

¹ Please limit pasted text to no longer than 3 paragraphs.

assistance, as mandated by the HEA. A majority of states would also be greatly hindered in their calculation of state aid to applicants.

Important changes to the FAFSA are described separately in the *Summary of Enhancements to the 2016-2017 Free Application for Federal Student Aid* document that is attached to this docket. Additionally, the Department and the Office of Management and Budget have agreed to the following changes regarding the list of colleges reported by applicants on the FAFSA:

1. The Department will no longer share the full list of schools with institutions. This means that all institutions, regardless of type, will simply be notified whether or not a student requested that the school receive their FAFSA data.
2. The Department will continue to share the full list of schools with state higher education grant agencies for the 2016-2017 award year.
3. Text preceding this section of the FAFSA has been amended to remind students that the order in which they list schools will not impact their eligibility for federal financial aid, but listing an in-state school first may be important in receiving state financial aid from the reported state of legal residence.

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 application 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. The application is available in both English and Spanish and the main options for completing a FAFSA include (more specific application options are described in Question 12):

- 1) *FAFSA on the Web* (FOTW®) submissions – Applicants can complete the online version of the FAFSA which offers a customized experience;
- 2) Financial Aid Administrator (FAA) submissions – On behalf of the applicant, this option describes the electronic submission of a FAFSA by a designated third party (e.g., the Department’s FAA Access system or a postsecondary institution’s mainframe computer); or
- 3) Paper submissions – Applicants can complete and submit the paper version or the PDF version of the FAFSA; these versions must be mailed to the Department for processing.

As required by Section 483 of the HEA, for applicants that have previously submitted a FAFSA, there is a Renewal FAFSA that retains certain static data and the applicant only needs to update information that has changed since the previous FAFSA submission. The Renewal FAFSA is offered within FOTW and to applicants who submit with the assistance of a FAA.

The information an applicant is required to provide on the FAFSA varies based upon the need analysis formula that is being utilized. There are three need analysis formulas, the first is for dependent students (this formula also requires parental data), the second is for independent students without dependents other than a spouse, and the third formula is for independent students with dependents other than a spouse.

After the application is completed, the applicant submits the form to the Department and the data is processed by the Department’s Central Processing System (CPS). The need analysis results in an expected family contribution (EFC), which is an index used by postsecondary educational institutions and states when determining the types and amounts of both federal and non-federal financial aid students will receive. 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 a postsecondary educational institution. The following components are considered in the need analysis formula to determine the EFC:

- 1) The available income of (A) the independent student and (if married) 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 102 of the HEA 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 (if married) 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 Title 26, Subtitle A, Chapter 1, Subchapter A, Part I, Section 2 of the Internal Revenue Code of 1986.

The need analysis formula used to determine an EFC changes in order to simplify the application for families who meet specific conditions. The HEA specifies a Simplified Needs Test (SNT) for calculating the EFC for families who meet the requirements of Section 479 of the HEA. The SNT applies to families who have adjusted gross incomes of less than \$50,000, or income earned from work (for non-tax filers) of less than \$50,000 per year, and who meet at least one of the following eligibility requirements:

- 1) As defined in Section 479(b)(3) of the HEA, have filed or are eligible to file an Internal Revenue Service (IRS) Form 1040A or 1040EZ; or
- 2) The independent student, independent student's spouse, or the dependent student's parent(s) received benefits in the last 24 months from any of the following federal means-tested benefit programs: Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (SNAP) (formerly the 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); or
- 3) The independent student, the independent student's spouse, or the dependent student's parent(s) is a dislocated worker.

All assets are excluded from consideration when calculating the EFC for families who meet the SNT requirements resulting in a simplified needs analysis that utilizes the following six components:

- 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, or (B) for federal and local income taxes, as

defined in Section 476(b)(2) of the HEA for independent students without dependents, and in Section 477(b)(2) of the HEA for independent students with dependents.

In addition to the simplified needs analysis, there is another circumstance where the need analysis formula to determine an EFC is modified. Section 479(c) of the HEA further simplifies the application by establishing an automatic zero (Auto Zero) formula permitting the automatic determination of an EFC of zero for families within a certain income threshold, and who file or are eligible to file the IRS Forms 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. The College Cost Reduction and Access Act of 2007 (*P.L. 110-84*) indexed the income threshold to be updated annually according to increases in the Consumer Price Index (CPI). For the 2016-2017 application cycle the adjusted gross income threshold will be \$25,000 or less for the Auto Zero formula.

The Auto Zero formula excludes other income and all assets for the purpose of calculating an EFC. Independent students with no dependents other than a spouse are not eligible to receive an Auto Zero EFC determination.

Once the CPS processes the applicant's data using the appropriate need analysis formula, the Department sends an ISIR electronically to the postsecondary institutions the applicant listed on the FAFSA. An ISIR is also sent to the state grant agencies (based on the applicant's state of legal residence), as well as the states where the institutions the applicant listed on his or her FAFSA are located.

The Department notifies the applicant by sending a SAR in the language the applicant used to submit the FAFSA. Similar to the ISIR, the SAR will contain the results of the processed application, including the student's EFC, a transcript of the information that the student originally reported on the FAFSA, and other relevant information (e.g., the applicant's financial aid history from the Department's National Student Loan Data System (NSLDS)). There are three versions of the SAR that an applicant may receive; a paper SAR, a paper SAR Acknowledgment, or an eSAR.

- 1) The paper SAR is a full summary that is mailed to applicants who filed a paper FAFSA and who did not provide an e-mail address. A paper SAR is also mailed to applicants whose records were rejected due to critical errors during processing.
- 2) The SAR Acknowledgment is a condensed paper SAR that is mailed to applicants who applied electronically, but did not provide an e-mail address and do not meet the criteria for a full SAR.
- 3) The eSAR is an electronic version of the SAR that is available on FOTW to all applicants with Federal Student Aid electronic credentials. Notifications for the eSAR are sent to students who applied electronically or by paper and provided an e-mail address. These notifications are sent by e-mail and include a secure hyperlink that takes the user to the FOTW site.

Applicants are expected to review the information on their SAR and, if necessary, correct errors in the reported information, verify the responses if so requested, and supply any missing information. Specifically, there are several ways that an applicant can correct, update, or provide additional information:

- 1) FOTW - Any applicant who has Federal Student Aid electronic credentials - regardless of how they originally applied - may correct any of the data on the FAFSA, except the applicant's Social Security Number (SSN), by using the corrections functionality on the FOTW site.
- 2) Paper SAR - Applicants who receive or request a paper SAR can make hand-written

corrections or additions directly on the paper SAR and mail it back to the Department. Corrections to the applicant's SSN can be made using the paper SAR. Note that although the paper SAR can be used to make changes, the SAR Acknowledgment and the eSAR cannot be used for corrections.

- 3) FAA Access - With the applicant's permission, an institution can use FAA Access to correct the FAFSA.
- 4) Electronic Other - With the applicant's permission, corrections can be made via the postsecondary institution's third-party servicer, a postsecondary institution's mainframe computer, or a postsecondary institution's proprietary software for the student.
- 5) Federal Student Aid Information Center (FSAIC) - FSAIC has the ability to assist applicants with a limited amount of changes. Any applicant, who has their Data Release Number (DRN) which is included on the applicant's SAR, can make changes to the postsecondary institutions listed on their FAFSA or change their address by calling FSAIC.

An applicant who corrects and/or updates (as defined in 34 CFR 668.55) their FAFSA resubmits the information to the Department. The Department, in turn, processes the changed information and sends the applicant a revised SAR. For most applicants the application process is now concluded, as the Department has processed the most accurate and complete information for use in the need analysis formula and the postsecondary institution is able to determine eligibility and award aid.

Regulations, however, established a verification process (as defined in 34 CFR 668, Subpart E) that requires some applicants to provide documentation to the postsecondary institution to confirm the information reported on the FAFSA. These procedures "...govern[s] the verification by institutions of information submitted by applicants for student financial assistance in connection with the calculation of their expected family contributions (EFC)."

Applications are selected for verification either by the CPS or by the postsecondary institution. A postsecondary institution must verify all applications the CPS selects for verification. For students selected for verification, they must complete the verification process with the postsecondary institution, and then the postsecondary institution can award aid once any final changes are submitted to the CPS for processing.

In conclusion, the above narrative provides an overview of the application process that exists to determine an applicant's eligibility for Title IV, HEA program assistance. Since Title IV, HEA funds should only be awarded to eligible students and the amounts awarded should reflect the actual need of the applicant and family, the awarding of aid by the financial aid office at the postsecondary institution does not occur until the applicant has completed the entire application process - initial submission, review, corrections and/or verification, if necessary. The entire application process allows the Department to capture the most complete and accurate information for use in the need analysis formula and reduces the possibility that an applicant could receive Title IV, HEA funds they are not eligible to receive.

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, e.g., permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration given to using technology to reduce burden.

Over time, the Department has made several process improvements that have utilized technology advancements. The following describes some components of the application process that have incorporated such advancements.

FAFSA on the Web (FOTW)

Section 483(a)(3) of the HEA mandates that, “The Secretary shall produce, distribute, and process forms in electronic format...”. Subsequently, the Department developed FOTW in 1998. FOTW has grown to be the primary entry point for tens of millions of students who apply for Federal, State, and institutional financial aid. The Department endeavors to improve FOTW continually to further simplify the application experience for students and families. The following describes the benefits of using FOTW:

- Applications submitted through FOTW are processed much faster than the paper or PDF versions of the FAFSA.
- Applicants that have previously applied for aid benefit by completing the Renewal FAFSA, which retains certain static data. Of the static data elements, only information that has changed since the previous FAFSA submission needs to be updated and the new data added.
- Applicants that need to correct or provide missing information can do so easily by returning to FOTW.
- FOTW offers skip-logic and assumption-logic that creates a customized, smart application experience based on an applicant’s personal data and previous answers.
- Applicants who use FOTW benefit from web edits that ensure all required fields are completed and all data conflicts are resolved prior to application submission, which makes for a reduced application rejection rate during processing.
- FOTW is a safe and secure Web site that uses standard commercial encryption protocols that determine the highest encryption level the browser will support.
- In compliance with the Americans with Disabilities Act, FOTW is 508 compliant and accessible to visually impaired applicants.

Electronic Signature and FSA ID

The FSA ID, which consists of a user-created username and password, replaced the PIN effective May 2015. The FSA ID can be used as an electronic signature for the FAFSA. Since the submission of the FAFSA requires the applicant’s signature and the parent’s signature if the applicant is a dependent student and parental information is provided, the FSA ID facilitates an easier application experience, eliminating the need for a paper signature submission. In addition, the FSA ID can be used each year to access the Renewal FAFSA and to access FAFSA data and make corrections or updates.

Customer Service - Federal Student Aid Information Center (FSAIC)

In addition to the assistance provided by FSAIC when handling inquiries about the financial aid process and questions about the application, FSAIC offers technological features that have simplified the application experience for many applicants.

- Live Help – Live web chat capability with a customer service representative. The Live Help capability includes: visually differentiated text for customer and customer service agent, time stamps, status indicators to show when an agent is typing, and session expiration to protect customer information.
- Automated Phone Self-Service – The interactive voice response unit (IVRU) menus made in 2012 is a self-service functionality for some of the most common customer inquiries including a FAFSA application status check, NSLDS loan history, and a seasonally rotated list of frequently asked questions. These features are available to customers 24 hours a day, 7 days a week and require no agent assistance.

Image and Data Capture (IDC)

The Department has maintained the IDC document management system. The system scans images, captures data, and sends the data for processing to the CPS. The IDC utilizes optical character recognition (OCR) to electronically recognize and capture typed or hand-written data from the paper FAFSA, PDF FAFSA and SAR. Use of this technology results in

the automation of data entry tasks, thus reducing the processing time for applicants.

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

The FAFSA collection requirements do not contain any duplication of data elements. Because legislation requires that the FAFSA be completed annually by applicants, returning applicants encounter similar questions in subsequent years. To reduce that burden, the Renewal FAFSA is available and reuses much of the data previously submitted. Required responses on the Renewal FAFSA are limited to income and asset questions likely to change from year to year.

The review and corrections segment of the application process does not duplicate the process of initial data collection. Reviewing and correcting the application is also fundamental to the application experience because it creates an opportunity to obtain the most accurate applicant information.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.

The collection of eligibility information for the awarding of student aid does not impact small businesses.

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.

If the application process was not completed and data elements not collected, the Department would be unable to make an accurate determination of financial need and subsequently award any Title IV, HEA program assistance, as mandated. In addition, the HEA requires annual determination of the applicant's need for Title IV, HEA program assistance. If the data were collected less frequently, the Department would be in violation of the law. Although an applicant must reapply and receive a new need analysis for every year that student aid is requested, use of the Renewal FAFSA, as described previously, reduces the amount of new data that a student must provide.

As a part of the annual application process, the corrections component provides an opportunity for the applicant to make corrections. The corrections component is crucial for assuring that comprehensive, accurate data is used to calculate the applicant's EFC and overall financial aid eligibility. If the Department were unable to request verification or correction of submitted data, the EFC could be calculated using questionable or erroneous data. In addition, errors discovered as a result of multiple federal database matches (e.g., SSA, Department of Homeland Security (DHS), Veteran Affairs, etc.) could not be corrected. The result would be countless incomplete or inaccurate FAFSA applications and, potentially, millions of incorrect eligibility determinations resulting in the loss of taxpayer dollars by awarding Title IV, HEA program assistance based on erroneous applicant data.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;

- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The application does not invoke special circumstances, as described in the Paperwork Reduction Act submission instructions.

- 8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The Department published the 60-day Federal Register notice inviting public comment on August 12, 2015. During the 60 days, we received 144 comments from individuals or organizations and addressed their comments in a separate document entitled *FSA Application Comments Tracking Summary*.

The Department also consults with an advisory board of financial aid professionals and federal student aid applicants on a yearly basis. Financial aid professionals provide feedback on planned changes to the application and application process. Students and parents participate in usability studies on existing functions of the application and/or proposed enhancements. A satisfaction survey is also available to users as they exit FOTW. The quantitative and qualitative data gathered from the survey is monitored and reported on a quarterly basis. Consideration of the views expressed by these groups is part of the annual development process of the application. The survey is approved under OMB control number 1845-0001. The names and affiliations of the FAFSA advisory team will be provided to OMB upon request.

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

There are no payments or gifts for the completion and/or submission of the application.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record**

Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided.² If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data.

The confidentiality of the data collected is discussed in the Routine Uses section of the System of Records Notice for the Federal Student Aid Application File (18-11-01), published in 64 FR 30159-30161 (June 4, 1999), as corrected by, 64 FR 72407 (December 27, 1999), as corrected by, 65 FR 11294 (March 2, 2000), as corrected by 66 FR 18758 (April 11, 2001), and as corrected by, 74 FR 68802-68808 (December 29, 2009).

A section on Privacy, printed on page 10 of the paper FAFSA and linked from the homepage of FOTW, informs the applicant that the postsecondary educational institutions identified by the student will also have access to the data, and that the grant agencies in the applicant's state of legal residence will receive the data even if the student does not provide consent pursuant to section 483(a)(10) of the HEA. The Department of Education allows state grant agencies to disclose certain limited "FAFSA Filing Status Information" to certain entities (secondary schools, local education agencies (LEAs), and other designated entities), so that those certain entities can help facilitate students' completion of the FAFSA. The limited FAFSA Completion information includes the date the FAFSA was submitted, the date the FAFSA was processed, whether the applicant was chosen for verification, and that a flag can be set when the FAFSA is completed.

Privacy Act information is repeated on the paper SAR and accessible at all times from FOTW. In addition, agencies such as law enforcement agencies, the Office of Management and Budget (OMB), the Department of Justice (DOJ), the Government Accountability Office (GAO), Congress, and other entities have access to the data.

No other individuals have access to this information without the express written consent of the applicant or as authorized by the Secretary consistent with the provisions of Section 483(a)(3)(E).

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. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

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), the FAFSA does not contain questions of a sensitive nature beyond those needed to determine the applicant's eligibility for Title IV assistance and calculate an EFC. The FAFSA instructions inform applicants that their response to question 23 may affect their eligibility for Federal student aid.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents by affected public type (federal government, individuals or households, private sector – businesses or other for-profit, private sector – not-for-profit)**

² Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)

institutions, farms, state, local or tribal governments), frequency of response, annual hour burden, and an explanation of how the burden was estimated, including identification of burden type: recordkeeping, reporting or third party disclosure. All narrative should be included in item 12. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in the ROCIS IC Burden Analysis Table. (The table should at minimum include Respondent types, IC activity, Respondent and Responses, Hours/Response, and Total Hours).**
- **Provide estimates of annualized cost to respondents of the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

For the 2016-2017 FAFSA, the Department has altered the applicant burden model (ABM) by developing a more accurate method to forecast FAFSA submissions. This new method of estimating responses has been discussed with and approved by the Office of Management and Budget (OMB).

The estimates included are the result of the Department's efforts to determine the public's burden as it relates to the application process for Federal student aid. The ABM measures applicant burden through an assessment of the activities each applicant conducts in conjunction with other applicant characteristics and in terms of burden, the average applicant's experience. Key determinants of the ABM include:

- The total number of applicants that will potentially apply for federal student aid;
- How the applicant chooses to complete and submit the FAFSA (e.g., by paper or electronically via FOTW);
- How the applicant chooses to submit any corrections and/or updates (e.g., the paper SAR or electronically via FOTW Corrections);
- The type of SAR document the applicant receives (eSAR, SAR acknowledgment, or paper SAR);
- The formula applied to determine the applicant's EFC (full need analysis formula, Simplified Needs Test or Automatic Zero); and
- The average amount of time involved in preparing to complete the application.

The estimated FAFSA submissions are based upon two factors- estimating the growth rate of the total enrollment into post-secondary education and applying the growth rate to the corresponding FAFSA cycle. Based on further research by the Department, it was concluded that FAFSA submissions have an indirect correlation with the total enrollment of students into post-secondary education. The Department accounts for each application component based on Web trending tools, survey information, and other Department data sources. The *Projections of Education Statistics* prepared by the U.S. Department of Education, National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System which provides estimates of the total enrollment in all degree-granting institutions. The NCES total enrollment projection in Table 1 makes it possible for the Department to calculate the growth rate for 2016. The projected growth rate for 2016 is 1.24% which is the percentage difference between the 2015 and 2016 enrollment projections. Based on the new ABM, utilizing internal metrics and analyzing applicant behavior, the Department is estimates that 21,782,538 FAFSAs will be submitted for the 2015-2016 year. Note that this

is a revised projection for 2015-2016 and does reflect the original projection of 24,857,932 submitted FAFSAs.

Table 1. Enrollment projections for 2013 from NCES Projections of Education Statistics to 2022
[in thousands]

Year	Enrollment Projections
2013	21,216
2014	21,575
2015	21,805
2016	22,076
2017	22,376
2018	22,698
2019	23,025
2020	23,309
2021	23,630
2022	23,888

Based on these factors, the Department estimates that **22,052,641³** FAFSAs will be submitted for 2016-2017, a decrease of **2,805,291** FAFSAs reported in the 2015-2016 Federal Student Aid application clearance package. A decrease in estimated FAFSA submissions will also affect the number of annual responses and burden hours for the 2016-2017 cycle which will be attributed to an adjustment in the calculation of the ABM. There will be a decrease in total annual burden hours because of the change in FAFSA submissions, which will affect submissions, corrections, and the review of processed information.

Once the applicant volume is projected, we determine the total estimated burden and cost by examining each FAFSA completion method. The completion method reflects how applicants choose to complete and submit the FAFSA, and indicates the needs analysis formula the applicant was presented with when they completed the FAFSA. Each completion method is assigned an individual burden estimate to reflect the average time an applicant will spend to prepare, complete and submit a FAFSA and/or correction. For 2016-2017 estimates, we determined that the 2014-2015 cycle offers a more complete data set to help baseline projections for individual burden. It should also be noted that the Department determined that recordkeeping would not be documented as a component of the burden estimate. Since the Department retains, for the applicant, summaries of the data submitted and a history of their changes, the need for an applicant to retain a set of records is optional.

The components that were included in the individual burden estimate include information from Web trending tools and user perception data from surveys and this allowed us to estimate the individual burden for each completion method. The individual burden estimate includes the following:

- 1) Preparation - Average time it takes to review instructions and gather the documents necessary to complete the FAFSA (e.g., paper FAFSA, copies of W-2 Forms, Student/Spouse and/or Parent's Federal Income Tax Returns, bank statements);
- 2) Completion - Average time it takes for data entry (paper or electronic), referencing instructions, or accessing on-line help or calling customer service;

³ [21,782,538*(1+1.24%)]

- 3) Submission – Average time it takes to review the Certification Statement, apply signatures, make copies of paper forms or print electronic outputs, and if necessary, obtain postage and mail.

As a result, Table 2 details the initial submission behavior (completion method) and provides the total burden for submission of the FAFSA; along with associated costs by type of application. Table 3 details the corrections behavior by type of corrections submitted and allows us to calculate the burden associated with each correction method; associated costs by type of correction are also provided. Table 4 shows the total number of SARs distributed as a result of the initial submission of the FAFSA and any corrections made. Table 3 also identifies the type of SARs distributed and provides associated cost for each.

Lastly, Table 5 summarizes the overall total annual responses, overall total annual burden and overall total costs for the 2016-2017 Federal Student Aid Application. Total annual responses for the 2016-2017 Federal Student Aid Application are estimated to be **40,135,807** which is a decrease of **-4,857,050** total responses from the 2015-2016 Federal Student Aid collection. The total estimated burden for the 2016-2017 Federal Student Aid Application is **20,560,481 hours, a decrease of -3,522,674 hours**. Table 5 also summarizes the annual cost burden to complete the application process, which is **\$77,153.44**, a decrease from the previous year by \$17,220.29. The decrease in cost is attributed to decreasing submissions of the paper FAFSA and SAR corrections. This cost is attributed to the individual postage cost of 49 cents that would be required of applicants who choose to submit a paper FAFSA (Table 2) or correct a paper SAR (Table 3).

Table 2. Initial Submission of FAFSA

Type of Application Filed	Type of FAFSA Applicant (Independent or Dependent)	Percent	Estimated Number of Applicants (Volume)	Estimated Individual Applicant Burden (Hours)	Estimated Individual Applicant Cost (Dollars)	Total Burden for All Applicants (Hours)	Total Cost for All Applicants (Dollars)
FAFSA on the Web (FOTW)							
FOTW (IC 1)		<i>Overall Usage</i>		42.41%			
The online version of the FAFSA that offers applicants a customized experience.	Dependent	44.00%	4,115,111	1.02	\$ -	4,197,413	\$ -
	Independent	56.00%	5,237,414	0.65	\$ -	3,404,319	\$ -
	Subtotals		9,352,525			7,601,732	\$ -
FOTW - Renewal (IC 2)		<i>Overall Usage</i>		45.25%			
The online version within FOTW for applicants who have previously completed the FAFSA.	Dependent	47%	4,690,045	0.86	\$ -	4,033,439	\$ -
	Independent	53%	5,288,775	0.50	\$ -	2,644,388	\$ -
	Subtotals		9,978,820			6,677,827	\$ -
FOTW - EZ (IC 3)		<i>Overall Usage</i>		5.55%			
The online version within FOTW for applicants who qualify for the Simplified Needs	Dependent	35%	428,373	1.02	\$ -	436,940	\$ -
	Independent	65%	795,549	0.63	\$ -	501,196	\$ -

Test (SNT) or Automatic Zero (Auto Zero) needs	Subtotal s		1,223,922			938,136	\$ -
FOTW - EZ Renewal (IC 4)	<i>Overall Usage</i>		6.00%				
The online version within FOTW for applicants who have previously completed the FAFSA and who qualify for the Simplified Needs Test (SNT) or Automatic Zero (Auto Zero) needs analysis formulas.	Dependent	39%	516,032	0.71	\$ -	366,383	\$ -
	Independent	61%	807,126	0.43	\$ -	347,064	\$ -
	Subtotal s		1,323,158			713,447	\$ -
FOTP - FAFSA on the Phone (IC 5)	<i>Overall Usage</i>		0.0017%				
FSAIC customer service representatives assist applicants by filing the FAFSA on their behalf through FOTW.	Dependent	28%	105	0.90	\$ -	95	\$ -
	Independent	72%	270	0.60	\$ -	162	\$ -
	Subtotal s		375			257	\$ -
FOTW - FAFSA on the Phone EZ (IC 6)	<i>Overall Usage</i>		0.0013%				
FSAIC customer service representatives assist applicants by filing the FAFSA on their behalf through FOTW	Dependent	35%	100	0.89	\$ -	89	\$ -
	Independent	65%	186	0.59	\$ -	110	\$ -
	Subtotal s		286			199	\$ -
School Entry							
FAA Access (IC 7)	<i>Overall Usage</i>		0.136%				
With the FAFSA filer's permission, an institution can use FAA Access to submit the FAFSA	Dependent	25%	7,498	1.27	\$ -	9,522	\$ -
	Independent	75%	22,494	0.90	\$ -	20,245	\$ -
	Subtotal s		29,992			29,767	\$ -
FAA Access - Renewal (IC 8)	<i>Overall Usage</i>		0.121%				
With the FAFSA filer's permission, an institution can use FAA Access to submit the Renewal FAFSA for an applicant	Dependent	28%	7,472	1.11	\$ -	8,294	\$ -
	Independent	72%	19,212	0.75	\$ -	14,409	\$ -
	Subtotal s		26,684			22,703	\$ -
FAA Access - EZ (IC 9)	<i>Overall Usage</i>		0.15%				
With the FAFSA filer's permission, an institution can use FAA Access to submit the Renewal FAFSA for an applicant	Dependent	41%	13,562	1.27	\$ -	17,224	\$ -
	Independent	59%	19,517	0.88	\$ -	17,175	\$ -
	Subtotal s		33,079			34,399	\$ -
FAA Access - EZ Renewal (IC 10)	<i>Overall Usage</i>		0.13%				
With the FAFSA filer's permission, an	Dependent	43%	12,327	0.96	\$ -	11,834	\$ -

institution can use FAA Access to submit the Renewal FAFSA for an applicant	Independent	57%	16,341	0.68	\$ -	11,112	\$ -
	Subtotals		28,668			22,946	\$ -
Electronic Other (IC 11)	<i>Overall Usage</i>		0.11%				
"Electronic Other Original" refers to the submission of FAFSA data using the Electronic Data Exchange (EDE) process. With the FAFSA filer's permission, a FAFSA can be submitted via: a school's third party servicer, a school's mainframe computer, or a school's proprietary software	Dependent	20%	4,852	1.15	\$ -	5,580	\$ -
	Independent	80%	19,406	0.80	\$ -	15,525	\$ -
	Subtotals		24,258			21,105	\$ -
Paper Submissions							
PDF FAFSA or Paper FAFSA (IC 12)	<i>Overall Usage</i>		0.14%				
The paper version of the FAFSA printed by the Department and provided for applicants who are unable to access the Internet or the online version of the printed FAFSA for applicants who can access the Internet but are unable to complete the form using FOTW.	Dependent	31%	9,571	1.65	\$ 0.49	15,792	\$ 4,689.79
	Independent	69%	21,303	1.30	\$ 0.49	27,694	\$ 10,438.47
	Subtotals		30,874			43,486	\$ 15,128.26
Total Applicants						22,052,641	
Burden for Applicants						16,106,004	
Cost for Applicants						\$15,128.26	

Table 3. Correcting Submitted FAFSA Information

Correcting Submitted FAFSA Information (Part 3 of Application Process)							
Type of Correction	Type of FAFSA Respondent by Filing Option (Independent or Dependent)		Estimated Number of Corrections Received (Volume)	Estimated Individual Burden (Hours)	Estimated Individual Applicant Cost (Dollars)	Total Burden for All Respondents (Hours)	Total Cost for All Applicants (Dollars)
FOTW - Corrections	<i>Overall Usage</i>		63.50%				
Any applicant who has a Federal Student Aid PIN (FSA PIN) – regardless of how they originally applied – may correct using	Dependent	61%	7,004,514	0.15	\$ -	1,050,677	\$ -
	Independent	39%	4,478,296	0.10	\$ -	447,830	\$ -

Corrections with FOTW.							
	Subtotals		11,482,810			1,498,507	
Electronic Other - Corrections	<i>Overall Usage</i>		17.50%				
With the applicant's permission, corrections can be made via: a school's third party servicer, a school's mainframe computer, FAA Access or a school's proprietary software.	Dependents & Independents		3,164,554	0.15	\$ -	474,683	\$ -
Paper SAR	<i>Overall Usage</i>		0.70%				
Applicants can write corrections directly on the paper SAR and mail for processing.	Dependents & Independents		126,582	0.30	\$ 0.49	37,975	\$ 62,025.18
FAA Access - Corrections	<i>Overall Usage</i>		5.80%				
With the FAFSA filer's permission, an institution can use FAA Access to correct the FAFSA.	Dependents & Independents		1,048,824	0.15	\$ -	157,324	\$ -
Internal Department Corrections	<i>Overall Usage</i>		12.25%				
The Department will submit an applicant's record for system generated corrections. There is no burden to the applicants under this correction type.	Dependents & Independents		2,215,188	0.00	\$ -	0	\$ -
FSAIC Corrections	<i>Overall Usage</i>		0.25%				
Any applicant, who has their Data Release Number (DRN), can make changes to the postsecondary institutions listed on their FAFSA or change their address by calling FSAIC.	Dependents & Independents		45,208	0.05	\$ -	2,260	\$ -
Total Corrections							18,083,166
Burden for Applicants							2,170,749
Cost for Applicants							\$62,025.18

Table 4. Reviewing FAFSA Information – Student Aid Report Distribution

Type of SAR Sent	Type of FAFSA Respondent by Filing Option (Independent or Dependent)	Documents Sent (Volume)	Estimated Individual Burden (Hours)	Estimated Individual Applicant Cost (Dollars)	Total Burden for All Applicants (Hours)	Total Cost for All Applicants (Dollars)

	nt)						
SAR Electronic (eSAR)	<i>Distributio n</i>		95.8%				
PDF version of the SAR for applicants who applied electronically or by paper and provided an e-mail address.	Dependen ts & Independ ents		38,450,1 03	0.05	\$ -	1,922,505	\$ -
SAR Acknowledgment	<i>Distributio n</i>		1.8%				
Condensed paper SAR that is mailed to applicants who applied electronically but did not provide an e-mail address.	Dependen ts & Independ ents		722,445	0.10	\$ -	72,245	\$ -
Paper SAR	<i>Distributio n</i>		2.4%				
Full paper summary that is mailed to paper applicants who did not provide an e-mail address, to applicants who did not sign their application and to applicants whose records were rejected during processing because the Social Security Number did not match with the SSA.	Dependen ts & Independ ents		963,259	0.30	\$ -	288,978	\$ -
Total SARs Sent to All Applicants						40,135,807	
Burden for Applicants						2,283,728	
Cost for Applicants						\$0.00	

Table 5. Total Burden and Total Costs for 2016-2017 Federal Student Aid Application

Application Process	Responses	Burden (Hours)	Cost (Dollars)
Initial Submission	22,052,641	16,106,004	\$15,128.26
Corrections	18,083,166	2,170,749	\$62,025.18
SAR Review	0	2,283,728	\$0.00
Total Annual Responses	40,135,807		
Total Burden for All Applicants		20,560,481	
Total Cost for All Applicants			\$77,153.44

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such

as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.

- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12

Total Annualized Capital/Startup Cost : _____
 Total Annual Costs (O&M) : _____
 Total Annualized Costs Requested : _____

There are no other annual burden costs to respondents or record keepers other than what is shown in response to question number 12.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The projected cost to the federal government to produce, process, and distribute the application and related application products or materials is **\$52,637,794**. The projections include the costs associated with the Department’s CPS and other costs like printing, mailing and customer service. See Table 6 for cost details.

Table 6. Annual Costs

Projected Costs	
Category 1 - AEDS Operations and Maintenance Services:	\$47,820,457
This category is the primary delivery area performed under the AEDS contract. Its consists of system development and maintenance of Information Technology (IT) products and the primary operational programs: Central Processing Systems (CPS) mainframe software and systems, FAFSA web services, develop the paper application and other paper products related to eligibility, status reports, earned value management reporting, ongoing support of existing software and hardware, management of volume peaks, Managing Printing of CPS mailing, Federal Student Aid Information Center (FSAIC), Editorial Services, CPS/ Student Aid Information Gateway (SAIG) Help desk & Customer	

Communications, Image and Data Capture (IDC), E-mail, Print, and other Operational Services including Conference Support, Participation Management (PM) Operations, Form Support (FAFSA Forms and PM Enrollment Forms), Usability Tests, and Statistical Analysis Support.	
Category 2 - Other FEBI Programs and Products:	
COD Ancillary Services	
- Printing, mailing, imaging, and storing paper promissory notes.	\$1,764,702
School Products	
Providing schools with FAA Access, IA Tool, and the EDEExpress suite of software products to participate in Electronic Data Exchange	\$685,637
Postage	
Mailing SARs and SAR Acknowledgments, Renewal Application reminder letters and follow-up letters, subsequent application letters and IRS income follow-up notification letters.	\$867,000
Category 3 - Enhancements:	
Changes to FAFSA-on-the-Web, CPS and related products based on mandatory statutory/regulatory updates, enhanced security requirements, modifications resulting from audit findings, and/or White House and Secretarial initiatives.	\$1,500,000
Total Projected Annual Cost	\$52,637,796

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

The Department is projecting a burden decrease of **3,522,674** hours. Since there are no substantive changes to the 2016-2017 FAFSA, the burden decrease is attributed to the 4,857,050 decrease in annual responses from the prior year; the burden decrease represents an **adjustment** and not a program change. For the 2016-2017 FAFSA, a new way of estimating the total number of FAFSA responses is being used. This new method of estimating responses has been discussed and approved by OMB and is explained in more detail in the response to question number 12 of the supporting statement.

Table 7 summarizes the difference in total annual responses, associated burden change and total cost for applicants. Total annual responses include the original FAFSA submission and corrections.

Table 7. Estimated Responses for Current (2015-2016) and Subsequent Year (2016-2017)

	2016-2017	2015-2016	Difference	Percent Change
Total Annual Responses (Applications+ Corrections)	40,135,807	44,992,857	-4,857,050	-10.80%
Total Applicant Burden	20,560,481	24,083,155	-3,522,674	-14.63%
Cost for All Applicants	\$77,153.44	\$94,373.73	(\$17,220.29)	-18.25%

Table 8 shows the decrease in initial FAFSA submissions, subsequent corrections and SARs sent to all applicants. Table 9 shows the burden associated with submitting the FAFSA, making corrections and reviewing the SAR.

Table 8. Current (2015-2016) and Subsequent Year (2016-2017) Projected FAFSA Submissions

Application Cycle Projections	Applicants	Corrections	SAR Review
2016-2017	22,052,641	18,083,166	40,135,807
2015-2016	24,857,932	20,134,925	44,992,857
Difference	-2,805,291	-2,051,759	-4,857,050
Percent Change	-11.29%	-10.19%	-10.80%

Table 9. Current (2015-2016) and Subsequent Year (2016-2017) Projected Burden Hours

Associated Burden	Applicants	Corrections	SAR Review	Total Applicant Burden
2016-2017	16,106,004	2,170,749	2,283,728	20,560,481
2015-2016	19,121,692	2,441,863	2,519,600	24,083,155
Difference	-3,015,690	-271,114	-235,872	-3,522,674
Percent Change	-15.77%	-11.10%	-9.36%	-14.63%

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. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

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 2016-2017 paper or PDF 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 from January 1, 2016 through June 30, 2017.

The expiration date for OMB approval will not be included on the 2016-2017 paper SAR for design reasons, although the OMB control number is displayed. The term of approval is

apparent in the paper and electronic versions of the application which would have to be submitted in order to generate an SAR.

18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.

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