



August 22, 2024

TO: Office of Information and Regulatory Affairs
Office of Management and Budget

THROUGH: Strategic Collections and Clearance
Governance and Strategy Division
Office of Chief Data Officer
Office of Planning, Evaluation and Policy Development
U.S. Department of Education

FROM: Melanie E. Storey, Director
Policy Implementation and Oversight
Federal Student Aid
U.S. Department of Education

RE: Request for emergency clearance by August 27, 2024 for the collection (1845-NEW) associated with 2025-26 FAFSA Beta Testing Phase 1 (2025-26 FAFSA).

Pursuant to the Office of Management and Budget (OMB) procedures established at 5 C.F.R. part 1320, Federal Student Aid (FSA), an office of the U.S. Department of Education (the Department), requests that the information collection (1845-NEW), 2025-26 FAFSA Beta Testing Phase 1, be processed in accordance with 5 C.F.R. § 1320.13 Emergency Processing. As the Beta testing will not be required beyond the six-month emergency clearance timeframe, the Department is not requesting a full clearance review.

Information is Essential to the Mission of the Agency

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...".

Federal Student Aid (FSA), an office of the U.S. Department of Education, 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 standard application process involves an applicant's submission of the Free Application for Federal Student Aid (FAFSA®).

With the priority to have confidence in the FAFSA application system, the Department seeks to test it from end to end using a phased approach. This approach will allow for an initial

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small number (2-6) of community-based organizations (CBOs), FAFSA filers and contributors to stress test the system and the application. Following the initial testing phase, the universe of FAFSA filers and contributors along with CBOs and other interested parties will be increased to again stress test the system for continuing improvements. In addition, to better serve students and contributors who will submit FAFSAs, the Department seeks to work with organizations that can receive and process the Institutional Student Information Records (ISIRs) that are generated by the system.

The Department of Education will conduct a beta testing program for the 2025-26 FAFSA (2025-26 FAFSA) beginning on October 1, 2024. On August 27 the Department will announce the parameters of the first beta testing stage ("Beta 1") and the process by which participating organizations will be selected. The implementation of the 2025-26 FAFSA process will be conducted through a phased process to ensure a stable and reliable platform for submission of required information for all filers, contributors, and other financial aid community users such as high schools, institutions of higher education, state agencies and community-based organizations (CBOs) who assist college bound students.

Working with CBOs will ensure that Beta 1 students have support both in preparing for the FAFSA and filling out the form. The participating students will apply to one college in common, which will ensure that both that college and the state financial aid agency will have a significant number of ISIRs that they can process (instead of ISIRs from Beta 1 being spread across hundreds of colleges). This will enable the Department to work with the institutions to determine that various applicant scenarios are resulting in accurate eligibility determination and file outputs. Students may also submit their FAFSA information to any institutions during Beta 1.

An Unanticipated Event Has Occurred

The breadth and complexity of implementing the FAFSA Simplification Act and FUTURE Act resulted in significant challenges and delays for applicants completing the 2024-25 FAFSA form. In assessing how to improve both the timeline and experience for implementing the 2025-26 form, the Department determined that a beta testing period will aid in identifying major system issues before the FAFSA is released to millions of students and will, in turn, reduce the challenges and frustrations that the public encountered with the launch of the 2024-2025 form.

The Department made the decision to conduct beta testing with actual applicants because the testing of the 2024-25 FAFSA form using synthetic test cases proved to be insufficient to (1) identify issues for certain populations of students and (2) to ensure accurate processing by institutions of higher education and their vendors. In consultation with our institutional partners and their supporting vendors, it was strongly recommended we engage in the standard software development practice of beta testing with live applicant data. To that end, we have engaged with CBOs who work directly with students helping them to complete

the FAFSA, and with financial aid leaders at institutions of higher education to minimize burden and ensure effectiveness of the beta testing period.

The decision to proceed with phased beta testing was finalized on August 7, 2024 after the Department completed a series of stakeholder listening sessions where they received significant feedback suggesting beta testing to avoid making system updates that may require updates or reprocessing while in full production. Since that time, FSA has been working diligently to design a comprehensive beta testing plan including completing the 2025-26 FAFSA form, providing secure access to the 2025-26 FAFSA **only** for Beta participants, and conducting student recruitment activities with CBOs. With these activities, the Department seeks to ensure we can both support students as they complete the form as well as quickly identify and resolve any issues as they arise.

In order to complete the beta period and resolve issues prior to the full launch of the 2025-26 FAFSA form in early December, we need to expedite the identification and recruitment of FAFSA Beta participants.

Public Harm is Reasonably Likely to Result if Normal Clearance Procedures are Followed

If the Department were required to put the collection through the normal clearance process, we would be unable to conduct this critical testing by the launch of the 2025-26 FAFSA form, which could result in significant delays for students to apply and receive their aid eligibility for the 2025-26 award year. Any delay in getting access to the FAFSA form would increase the potential for public harm through delayed access to student financial aid and the possibility of decreasing the likelihood of postsecondary enrollment.

Conclusion

As a result, in order to meet the August 2024 form launch, the Department is requesting that OMB approve the collection associated with 2025-26 FAFSA Beta Testing Phase 1 no later than 8/26/2024 to inform the full launch of the FAFSA by December 1, 2024.

Thank you for your consideration.