



September 3, 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 September 11, 2024 for the collection (1845-NEW) associated with 2025-26 FAFSA Beta Testing Phase 2-4.

Pursuant to the Office of Management and Budget (OMB) procedures established at 5 C.F.R. part 1320, Federal Student Aid, an office of the U.S. Department of Education (the Department), requests that the information collection (1845-NEW), 2025-26 FAFSA Beta Testing Phase 2-4, 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 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®).

To build confidence in the 2025-26 FAFSA application and processing system, the Department seeks to conduct an end to end beta test using a phased approach. On August 27,

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the Department announced the parameters of the first phase testing stage (Beta 1) and the process by which participating organizations will be selected. With this request, the Department seeks to continue the beta testing period with three additional phases (Beta 2-4) in October and November, 2024.

The implementation of Beta 2-4 will ensure a stable and reliable platform for submission of required information for all filers, contributors, and other financial aid community users. With each phase of the beta testing, the Department will expand the number of participating community-based organizations (CBOs), high schools, high school districts, institutions of higher education, state agencies, FAFSA filers, and their contributors, all of whom will stress test the application and processing system. These phases follow the initial testing phase and incorporate lessons learned to the process. In addition, the Department will work with organizations that can receive and process the Institutional Student Information Records (ISIRs) that are generated by the FAFSA Processing System (FPS) to seek information on how to better serve students and contributors who will submit FAFSAs. Of note, the Department will work closely with the Beta 2-4 organizational participants and applicants to collect feedback, identify and resolve issues with the application and processing. However, students may apply to up to twenty institutions on the FAFSA form. If they apply to an institution that is not participating in the beta testing, the institution and relevant state agency will receive the student eligibility data, but no action is required as part of the beta testing.

The Department will work closely with the expanded set of organizations that support the FAFSA application process to ensure that Beta 2-4 participants have support in preparing for completing the FAFSA, filling out the form, and confirming eligibility. An expanded pool of users will also increase the scenarios to test the system as well as provide additional points of view regarding the process and help options available. This will enable the Department to work with the institutions and state agencies to determine that various applicant scenarios are resulting in accurate eligibility determination and file outputs. Students may apply to up to twenty institutions and may submit their FAFSA information to any institution during the Beta 2-4 phases. If they apply to an institution that is not participating in the beta testing, however, the institution and relevant state agency will receive the student eligibility data, but no action is required from the non-participating institution as part of the beta testing.

An Unanticipated Event Has Occurred

The breadth and complexity of implementing the FAFSA Simplification Act and FUTURE Act resulted in significant and unexpected challenges, system issues, and delays for applicants completing the 2024-25 FAFSA form.

In assessing how to improve the timeline and experience for the 2025-26 FAFSA form, the Department is expanding the beta testing period to continue to identify major system issues before the FAFSA is released to millions of students and work, in turn, to reduce the challenges and frustrations that the public encountered with the launch of the 2024-25 form.

The Department finalized the decision to proceed with phased beta testing with actual applicants on August 7, 2024. This decision was based on the testing of the 2024-25 FAFSA form using synthetic test cases which 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. Additionally, consultations and a series of stakeholder listening sessions with institutional partners and their supporting vendors, yielded strong recommendations to engage in the standard software development practice of beta testing with live applicant data to avoid making system updates that may require updates or reprocessing while in full production. To that end, in Beta 1 the Department has 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.

Since that time, the Department has been working diligently on implementing 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 testing 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 2-4 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 September 2024 form launch date, the Department is requesting that OMB approve the collection associated with 2025-26 FAFSA Beta Testing Phases 2-4 no later than the morning of September 11, 2024 to inform the full launch of the FAFSA by December 1, 2024.

Thank you for your consideration.