

Department of Education
STUDENT AID ADMINISTRATION
Fiscal Year 2024 Budget Request
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STUDENT AID ADMINISTRATION

Appropriations Language

For Federal administrative expenses to carry out part D of title I, and subparts 1, 3, 9, and 10 of part A, and parts B, C, D, and E of title IV of the HEA, and subpart 1 of part A of title VII of the Public Health Service Act, [~~\$2,033,943,000~~]\$2,654,034,000, to remain available through September 30, [2024: *Provided*, That the Secretary shall allocate new student loan borrower accounts to eligible student loan servicers on the basis of their past performance compared to all loan servicers utilizing established common metrics, and on the basis of the capacity of each servicer to process new and existing accounts:¹ *Provided further*, That for student loan contracts awarded prior to October 1, 2017, the Secretary shall allow student loan borrowers who are consolidating Federal student loans to select from any student loan servicer to service their new consolidated student loan:² *Provided further*, That in order to promote accountability and high quality service to borrowers, the Secretary shall not award funding for any contract solicitation for a new Federal student loan servicing environment, including the solicitation for the Federal Student Aid (FSA) Next Generation Processing and Servicing Environment, unless such an environment provides for the participation of multiple student loan servicers that contract directly with the Department of Education to manage a unique portfolio of borrower accounts and the full life-cycle of loans from disbursement to pay-off with certain limited exceptions, and allocates student loan borrower accounts to eligible student loan servicers based on performance:³ *Provided further*, That the Department shall re-allocate accounts from servicers for recurring non-compliance with FSA guidelines, contractual requirements, and applicable laws, including for failure to sufficiently inform borrowers of available repayment options:⁴ *Provided further*, That such servicers shall be evaluated based on their ability to meet contract requirements (including an understanding of Federal and State law), future performance on the contracts, and history of compliance with applicable consumer protections laws:⁵ *Provided further*, That to the extent FSA permits student loan servicing subcontracting, FSA shall hold prime contractors

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accountable for meeting the requirements of the contract, and the performance and expectations of subcontractors shall be accounted for in the prime contract and in the overall performance of the prime contractor:⁶ *Provided further*, That FSA shall ensure that the Next Generation Processing and Servicing Environment, or any new Federal loan servicing environment, incentivize more support to borrowers at risk of delinquency or default:⁷ *Provided further*, That FSA shall ensure that in such environment contractors have the capacity to meet and are held accountable for performance on service levels; are held accountable for and have a history of compliance with applicable consumer protection laws; and have relevant experience and demonstrated effectiveness:⁸ *Provided further*, That the Secretary shall provide quarterly briefings to the Committees on Appropriations and Education and Labor of the House of Representatives and the Committees on Appropriations and Health, Education, Labor, and Pensions of the Senate on general progress related to solicitations for Federal student loan servicing contracts:⁹ *Provided further*, That FSA shall strengthen transparency through expanded publication of aggregate data on student loan and servicer performance:¹⁰ *Provided further*, That not later than 60 days after enactment of this Act, FSA shall provide to the Committees on Appropriations of the House of Representatives and the Senate a detailed spend plan of anticipated uses of funds made available in this account for fiscal year 2023 and provide quarterly updates on this plan (including contracts awarded, change orders, bonuses paid to staff, reorganization costs, and any other activity carried out using amounts provided under this heading for fiscal year 2023):¹¹ *Provided further*, That the FSA Next Generation Processing and Servicing Environment, or any new Federal student loan servicing environment, shall include accountability measures that account for the performance of the portfolio and contractor compliance with FSA guidelines:¹² *Provided further*, That notwithstanding the requirements of the Federal Property and Administration Services Act of 1949, 41 U.S.C. 3101

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et seq., as amended; parts 6, 16, and 37 of title 48, Code of Federal Regulations; or any other procurement limitation on the period of performance, the Secretary may extend the period of performance for any contract under section 456 of the HEA for servicing activities for up to one year from the current date of expiration]¹³ 2025¹⁴. (*Department of Education Appropriations Act, 2023.*)

GENERAL PROVISIONS

SEC. 307. Funds appropriated in this Act under the heading "Student Aid Administration" may be available for payments for student loan servicing to an institution of higher education that services outstanding Federal Perkins Loans under part E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087aa et seq.).

SEC. 309. Of the amounts made available in this title under the heading "Student Aid Administration", up to \$2,300,000 [shall]may be [used by]available to the Secretary of Education to conduct outreach to borrowers of loans made under part D of title IV of the Higher Education Act of 1965 who may intend to qualify for loan cancellation under section 455(m) of such Act (20 U.S.C. 1087e(m)), to ensure that borrowers are meeting the terms and conditions of such loan cancellation:¹⁵ *Provided*, That the Secretary shall specifically conduct outreach to assist borrowers who would qualify for loan cancellation under section 455(m) of such Act except that the borrower has made some, or all, of the 120 required payments under a repayment plan that is not described under section 455(m)(A) of such Act, to encourage borrowers to enroll in a qualifying repayment plan: *Provided further*, That the Secretary shall also communicate to all Direct Loan borrowers the full requirements of section 455(m) of such Act and improve the filing of employment certification by providing improved outreach and information such as outbound

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calls, electronic communications, ensuring prominent access to program requirements and benefits on each servicer's website, and creating an option for all borrowers to complete the entire payment certification process electronically and on a centralized website.

NOTES

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document which follows the appropriation language.

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>¹ ... [<i>Provided</i>, That the Secretary shall allocate new student loan borrower accounts to eligible student loan servicers on the basis of their performance compared to all loan servicers utilizing established common metrics, and on the basis of the capacity of each servicer to process new and existing accounts:]</p>	<p>This language would require the Secretary to allocate new student loan accounts to student loan servicers based on performance. This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>
<p>² ... [<i>Provided further</i>, That for student loan contracts awarded prior to October 1, 2017, the Secretary shall allow student loan borrowers who are consolidating Federal student loans to select from any student loan servicer to service their new consolidated student loan:]</p>	<p>This language would allow consolidated student loan borrowers to select from any student loan servicer. This language is eliminated because FSA currently complies with this language.</p>
<p>³ ... [<i>Provided further</i>, That in order to promote accountability and high-quality service to borrowers, the Secretary shall not award funding for any contract solicitation for a new Federal student loan servicing environment, including the solicitation for the Federal Student Aid (FSA) Next Generation Processing and Servicing Environment, unless such an environment provides for the participation of multiple student loan servicers that contract directly with the Department of Education to manage a unique portfolio of borrower accounts and the full life-cycle of loans from disbursement to pay-off with certain limited exceptions, and allocates student loan borrower accounts to eligible student loan servicers based on performance:]</p>	<p>This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>⁴ ... [<i>Provided further</i>, That the Department shall re-allocate accounts from servicers for recurring non-compliance with FSA guidelines, contractual requirements, and applicable laws, including for failure to sufficiently inform borrowers of available repayment options:]</p>	<p>This language would require the Secretary to reallocate accounts from servicers with recurring compliance issues. This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>
<p>⁵ ... [<i>Provided further</i>, That such servicers shall be evaluated based on their ability to meet contract requirements (including an understanding of Federal and State law), future performance on the contracts, and history of compliance with applicable consumer protections laws:]</p>	<p>This language would require servicers to be evaluated based on their ability to meet contract requirements. This language is eliminated because FSA evaluated Unified Data and Servicing Solution (USDS) Offerors based on these criteria.</p>
<p>⁶.. [<i>Provided further</i>, That to the extent FSA permits student loan servicing subcontracting, FSA shall hold prime contractors accountable for meeting the requirements of the contract, and the performance and expectations of subcontractors shall be accounted for in the prime contract and in the overall performance of the prime contractor:]</p>	<p>This language would allow FSA to permit student loan servicing subcontracting but hold the prime contractors accountable for subcontractors’ performance. This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS)solicitation and will be met when USDS is implemented.</p>
<p>⁷ ... [<i>Provided further</i>, That FSA shall ensure that the Next Generation Processing and Servicing Environment, or any new Federal loan servicing environment, incentivize more support to borrowers at risk of delinquency or default:]</p>	<p>This language would require FSA to ensure that new contracts provide increased support to distressed borrowers. This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>
<p>⁸ ... [<i>Provided further</i>, That FSA shall ensure that in such environment contractors have the capacity to meet and are held accountable for performance on service levels; are held accountable for and have a history of compliance with applicable consumer protection laws; and have a relevant experience and demonstrate effectiveness:]</p>	<p>This language would require FSA to establish and ensure a variety of requirements for loan servicing contractors. This language is eliminated because this requirement is in FSA’s Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>⁹ ... [<i>Provided further</i>, That the Secretary shall provide quarterly briefings to the Committees on Appropriations and Education and Labor of the House of Representatives and the Committees on Appropriations and Health, Education, Labor, and Pensions of the Senate on general progress related to solicitations for Federal student loan servicing contracts:]</p>	<p>This language is removed because the requested briefings have been provided and FSA plans to award the Unified Servicing and Data Solution (USDS), after which a new servicing procurement will not occur for several years.</p>
<p>¹⁰ ... [<i>Provided further</i>, That FSA shall strengthen transparency through expanded publication of aggregate data on student loan and servicer performance:]</p>	<p>This language is removed because FSA has expanded the FSA Data Center and continues to augment its data warehouse with new data as necessary to facilitate these efforts.</p>
<p>¹¹... [<i>Provided further</i>, That not later than 60 days after enactment of this Act, FSA shall provide to the Committees on Appropriations of the House of Representatives and the Senate a detailed spend plan of anticipated uses of funds made available in this account for fiscal year 2023 and provide quarterly updates on this plan (including contracts awarded, change orders, bonuses paid to staff, reorganization costs, and any other activity carried out using amounts provided under this heading for fiscal year 2023):]</p>	<p>This language is removed because FSA will provide the requested reports.</p>
<p>¹²... [<i>Provided further</i>, That the FSA Next Generation Processing and Servicing Environment, or any new Federal student loan servicing environment, shall include accountability measures that account for the performance of the portfolio and contractor compliance with FSA guidelines:]</p>	<p>This language would require FSA to establish and ensure a variety of requirements for loan servicing contractors. This language is eliminated because this requirement is in FSA's Unified Servicing and Data Solution (USDS) solicitation and will be met when USDS is implemented.</p>

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Analysis of Language Provisions and Changes

Language Provision	Explanation
<p>¹³...[<i>Provided further</i>, That, notwithstanding the requirements of the Federal Property and Administration Services Act of 1949, 41 U.S.C. 3101 et seq., as amended; parts 6, 16, and 37 of title 48, Code of Federal Regulations; or any other procurement limitation on the period of performance, the Secretary may extend the period of performance for any contract under section 456 of the HEA for servicing activities for up to one year from the current date of expiration.]</p>	<p>This language is removed because the Unified Data and Servicing Solution (USDS) is expected to go live before another extension would be needed.</p>
<p>¹⁴ to remain available through September 30, [2024] <u>2025</u></p>	<p>This language provides for appropriated funds to remain available for 2 years.</p>
<p style="text-align: center;">GENERAL PROVISIONS</p> <p>¹⁵ Of the amounts made available in this title under the heading "Student Aid Administration", <u>up to \$2,300,000</u> [shall] <u>may be</u> [used by] <u>available to</u> the Secretary of Education to conduct outreach to borrowers of loans made under part D of title IV of the Higher Education Act of 1965 who may intend to qualify for loan cancellation under section 455(m) of such Act (20 U.S.C. 1087e(m)), to ensure that borrowers are meeting the terms and conditions of such loan cancellation</p>	<p>This language allows the Secretary to use up to \$2,300,000 in appropriated Student Aid Administration funds for outreach to borrowers who may intend to qualify for Public Service Loan Forgiveness.</p>

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Amounts Available for Obligation
(dollars in thousands)

Appropriation and Adjustments	2022	2023	2024
<hr/>			
Discretionary budget authority:			
Appropriation	\$2,033,943	\$2,033,943	\$2,654,034
Unobligated balance, start of year	62,083	32,833	0
Recovery of prior-year obligations	45,909	0	0
Unobligated balance expiring	-31,778	0	0
Unobligated balance, end of year	-32,833	0	0
	<hr/>		
Total, direct obligations	2,077,324	2,066,776	2,654,034

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Obligations by Object Classification (dollars in thousands)

Object Class	2022 Actual	2023 Appropriation	2024 Request	Change, 2023 to 2024
11.10 Full-time permanent	\$190,263	\$218,503	\$233,589	+\$15,086
11.31 Full-time temporary	4,955	0	0	0
11.32 Part-time	412	0	0	0
11.33 Consultants	188	0	0	0
11.51 Overtime	303	641	647	+6
11.52 Awards	3,888	4,306	4,885	+579
11.80 Other Compensation	165	0	0	0
Subtotal, Personnel Comp.	200,174	223,450	239,121	+15,671
12.00 Benefits	70,073	79,502	86,266	+6,764
13.10 Benefits for Former Personnel	0	141	78	-63
Subtotal, Per. Comp & Ben.	270,247	303,093	325,465	+22,372
21.00 Travel	252	646	763	+117
22.00 Transportation of things	0	0	0	0
23.10 Rental payments to GSA	19,550	19,184	14,000	-5,184
23.31 Communications	9	0	0	0
23.32 Postage/fees	19	3	3	0
Subtotal, 23	19,578	19,187	14,003	-5,184
24.00 Printing and reproduction	6	6	7	+1
25.10 Advisory and assistance services	4,206	134	1,410	+1,276
25.21 Other services	1,031,007	866,341	1,085,605	+219,264
25.22 Training/Tuition/Contracts	842	1,459	2,263	+804
25.30 Goods/Services from Gov't	45,912	40,969	60,791	+19,822
25.40 Operations/Maint of Facilities	0	0	0	0
25.71 Operations/Maint of Equipment	0	3,000	0	-3,000
25.72 IT Services/Contracts	632,034	828,033	1,163,478	+335,445
Subtotal, 25	1,713,991	1,739,936	2,313,547	+573,611
26.00 Supplies	50	68	85	+17
31.10 IT Equipment/Software	58	156	164	+8
31.30 Other Equipment	0	0	0	0
Subtotal, 31	58	156	164	+8
32.00 Building Alterations	755	0	0	0
42.20 Settlement of Claims	5	0	0	0
43.10 Prompt payment interest	2	0	0	0
Total, Obligations	2,004,944	2,063,092	2,654,034	+590,942

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Obligations by Object Classification, Supplemental, CRRSAA Act (P.L. 116-260)
(dollars in thousands)

Object Class	2022 Actual	2023 Appropriation	2024 Request	Change, 2023 to 2024
11.10 Full-time permanent	\$5,854	\$0	\$0	\$0
11.31 Full-time temporary	662	0	0	0
11.32 Part-time	3	0	0	0
11.33 Consultants	1	0	0	0
11.51 Overtime	52	0	0	0
11.52 Awards	77	0	0	0
11.80 Other Compensation	1	0	0	0
Subtotal, Personnel Comp.	6,646	0	0	0
12.00 Benefits	2,102	0	0	0
13.10 Benefits for Former Personnel	0	0	0	0
Subtotal, Per. Comp & Ben.	0	0	0	0
21.00 Travel	0	0	0	0
22.00 Transportation of things	0	0	0	0
23.10 Rental payments to GSA	0	0	0	0
23.31 Communications	0	0	0	0
23.32 Postage/fees	0	0	0	0
Subtotal, 23	0	0	0	0
24.00 Printing and reproduction	0	0	0	0
25.10 Advisory and assistance services	0	0	0	0
25.21 Other services	11,269	0	0	0
25.22 Training/Tuition/Contracts	1	0	0	0
25.30 Goods/Services from Gov't	457	0	0	0
25.40 Operations/Maint of Facilities	0	0	0	0
25.71 Operations/Maint of Equipment	0	0	0	0
25.72 IT Services/Contracts	7,402	0	0	0
Subtotal, 25	19,129	0	0	0
26.00 Supplies	2	0	0	0
31.10 IT Equipment/Software	0	0	0	0
31.30 Other Equipment	0	0	0	0
Subtotal, 31	0	0	0	0
32.00 Building Alterations	0	0	0	0
43.10 Prompt payment interest	2	0	0	0
Total, Obligations	27,881	0	0	0

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Obligations by Object Classification, Supplemental, ARP Act (P.L. 117-02)
(dollars in thousands)

Object Class		2022 Actual	2023 Appropriation	2023 Estimate	Change, 2022 to 2023
11.10	Full-time permanent	\$0	\$0	\$0	\$0
11.31	Full-time temporary	0	0	0	0
11.32	Part-time	0	0	0	0
11.33	Consultants	0	0	0	0
11.51	Overtime	0	0	0	0
11.52	Awards	0	0	0	0
11.80	Other Compensation	0	0	0	0
	Subtotal, Personnel Comp.	0	0	0	0
12.00	Benefits	0	0	0	0
13.10	Benefits for Former Personnel	0	0	0	0
	Subtotal, Per. Comp & Ben.	0	0	0	0
21.00	Travel	0	0	0	0
22.00	Transportation of things	0	0	0	0
23.10	Rental payments to GSA	0	0	0	0
23.31	Communications	0	0	0	0
23.32	Postage/fees	0	0	0	0
	Subtotal, 23	0	0	0	0
24.00	Printing and reproduction	0	0	0	0
25.10	Advisory and assistance services	0	0	0	0
25.21	Other services	26,749	3,684	0	-3,684
25.22	Training/Tuition/Contracts	0	0	0	0
25.30	Goods/Services from Gov't	0	0	0	0
25.40	Operations/Maint of Facilities	0	0	0	0
25.71	Operations/Maint of Equipment	0	0	0	0
25.72	IT Services/Contracts	17,750	0	0	0
	Subtotal, 25	44,499	3,684	0	-3,684
26.00	Supplies	0	0	0	0
31.10	IT Equipment/Software	0	0	0	0
31.30	Other Equipment	0	0	0	0
	Subtotal, 31	0	0	0	0
32.00	Building Alterations	0	0	0	0
43.10	Prompt payment interest	0	0	0	0
	Total, Obligations	44,499	3,684	0	-3,684

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Summary of Changes (dollars in thousands)

	2023	\$2,033,943
	2024	2,654,034
Net change		+620,091

Increases:	2024 Request	Change from 2023
<u>Built-in:</u>		
Increase in personnel compensation and benefits (PC&B) for a proposed 5.2 percent pay raise, benefits increases, and an increase of 43 FTE	\$303,093	+\$22,372
<u>Program:</u>		
Travel	646	+117
Printing & Reproduction	6	+1
Other Services	837,192	+248,413
Training/Tuition/Contracts	1,459	+804
Goods/Services from Govt	40,969	+19,822
Information Technology Equipment/Software	156	+8
Advisory and Assistance Services	134	+1,276
IT Services/Contracts	828,033	+335,445
Supplies	68	+17
Subtotal, increases		+628,275
Decreases:		
<u>Built-in:</u>		
Operations/Maintenance of Equipment	0	-3,000
Rent, due to consolidation of space	19,184	-5,184
Subtotal, decreases		-8,184
Net Change		+620,091

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Authorizing Legislation
(dollars in thousands)

Activity	2023 Authorized	2023 Appropriation	2024 Authorized	2024 Request
Student aid administration (<i>Higher Education Act of 1965, I-D</i>)	0 ¹	\$2,033,943	To be Determined	\$2,654,034
Total appropriation		2,033,943		2,654,034
Portion of request not authorized				2,654,034

¹ The GEPA extension expired September 30, 2015; reauthorization for FY 2024 is expected through appropriations action

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Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2015 ¹	\$1,446,924	N/A	\$1,446,924	\$1,396,924
2016 ²	1,581,854	\$1,446,924	1,361,700	1,396,924
2017 ³	1,631,990	1,551,854	1,546,854	1,576,854
2018 ⁴	1,697,711	1,697,711	1,576,854	1,678,943
2019 ⁵	1,772,000	1,678,943	1,678,943	1,678,943
2020 ⁶	1,812,000	1,678,943	1,778,943	1,768,943
2020 CARES Supplemental ⁷				40,000
2021 ⁸	1,883,309	1,768,943	1,868,943	1,853,943
2021 CRRSAA Supplemental ⁹	0	0	0	30,000
2021 Mandatory ARP Supp ¹⁰	0	0	0	91,130
2022 ¹¹	2,053,943	2,053,943	2,033,943	2,033,943
2023 ¹²	2,654,034	2,579,034	2,594,034	2,033,943
2024	2,654,034			

¹ The House allowance is shown as N/A because there was no Subcommittee action; Senate allowance reflects Senate Subcommittee action only.

² The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114th Congress only through the House Committee and Senate Committee.

³ The levels for the House and Senate allowances reflect Committee action on the regular annual 2017 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2017.

⁴ The level for the House allowance reflects floor action on the Omnibus appropriation bill; the Senate allowance reflects Committee action on the regular annual 2018 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2018 (P.L. 115-141).

⁵ The levels for the House and Senate Allowance reflect Committee action on the regular annual 2019 appropriations bill; the Appropriation reflects enactment of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 (P.L. 115-245).

⁶ The Senate Allowance reflects the Chairman's mark; the Appropriation reflects the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

⁷ The Appropriation reflects the supplemental funds from the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136).

⁸ The level for the House allowance reflects subcommittee action. The level for the Senate Allowance reflects the Chairman's mark; the Appropriation reflects Division H of the FY 2021 Consolidated Appropriations Act, 2021 (P.L. 116-260).

⁹ The Appropriation reflects supplemental funds from Division M of the FY 2021 Consolidated Appropriations Act, 2021 (P.L. 116-260).

¹⁰ The Appropriation reflects the American Rescue Plan Act of FY 2021 (P.L. 117-2).

¹¹ The House allowance reflects floor action on the FY 2022 Consolidated Appropriations Act; the Senate allowance reflects the Chairman's mark; and the Appropriation reflects the Consolidated Appropriations Act, 2022 (P.L. 117-103).

¹² The House allowance reflects the regular annual FY 2023 appropriation, which was introduced on the floor; the Senate allowance reflects the Chairman's mark; and the Appropriation reflects the Consolidated Appropriations Act, 2023 (P.L. 117-328).

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Significant Items in FY 2023 Appropriations Reports

Spend Plan

Explanatory
Statement:

The agreement directs the Department to provide a detailed spend plan of the planned uses of funds under this heading by major activity, and quarterly updates on its implementation. This should include, but not limited to, detailed breakouts by baseline operations and development efforts; and servicing, student aid core systems, IT activities, and other Federal Student Aid activities. Further, this should include a crosswalk to activities funded under administrative costs and servicing activities, and any reallocation of funds between those two activities should be treated as a reprogramming of funds, and the Committees should be notified in advance of any such changes.

Response: The Department will provide the requested report.

Spend Plan and Quarterly Updates

House: Not later than 60 days after enactment, the Committee directs the Department to provide a detailed spend plan of anticipated uses of funds made available in this account for fiscal year 2023 and provide quarterly updates on this plan (including contracts awarded, change orders, bonuses paid to staff, reorganization costs and any other activity carried out using amounts provided under this heading for fiscal year 2023.

Response: The Department will provide the requested report.

Contract Extension Notification

Explanatory
Statement:

The agreement provides authority to extend current student loan servicing contracts in order to ensure an orderly transition to the Unified Servicing and Data Solution (USDS). The Department should notify the Committee at least 15 days prior to exercising the authority to extend current contracts.

Response: The Department will notify the Committee as required before exercising the authority to extend current contracts.

Quarterly USDS Implementation Briefings

Explanatory
Statement:

The agreement further directs the Department to provide quarterly briefings on progress related to implementation of USDS.

Response: The Department will provide the requested briefing to the Committees as directed.

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Significant Items in FY 2023 Appropriations Reports – continued

Quarterly Servicing Contracting Briefings

House: The Department is directed to provide quarterly briefings to the Committee on general progress related to solicitations for Federal student loan servicing contracts.

Response: The Department will provide the requested quarterly briefing to the Committees as directed.

Social Work Students

House: The Committee notes that social work students at the undergraduate and graduate levels are required to complete hundreds of hours of field experience; however, the Committee is concerned that many times these experiences are unpaid. In the fiscal year 2024 Congressional Budget Justification, the Committee directs the Department to share information around the feasibility of using its Experimental Sites authority for a pilot to use Federal Work Study and other financial aid funding to support social work students involved in internships and field experiences.

Response: The Department recently conducted an experiment under the Experimental Sites Initiative that lifted the restriction on payments of Federal Work Study funds for students who are working in credit-bearing positions. Federal Student Aid (FSA) continues to evaluate the data collected for that experiment but has determined that more than 100 students who were enrolled in social work programs utilized at least one of the waivers in that experiment. FSA's analysis of the broad effects of this experiment will consider potential impacts on students' federal student debt levels and persistence but given the Committee's interest in social work program specifically, FSA will also disaggregate findings for those students in particular and include those findings in FSA's evaluation report for the experiment. FSA will publish an interim report for the experiment, which will include information about social work experiences, no later than December 31, 2023.

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Student Aid Administration

(Higher Education Act of 1965, I-D)

(dollars in thousands)

FY 2024 Authorization: To be determined¹

Budget Authority:

	2023 Appropriation ²	2024 Request	Change
Personnel Comp. & Ben. Costs	\$303,093	\$325,465	+\$22,372
Non-Personnel Costs, excluding Loan Servicing Costs	623,991	879,947	+255,956
Subtotal, Salaries and Expenses	927,084	1,205,412	+278,328
Loan Servicing Costs	1,106,859	1,448,622	+341,763
Total	2,033,943	2,654,034	+620,091
FTE	1,550 ³	1,593	+43

PROGRAM DESCRIPTION

The Student Aid Administration (SAA) account provides funds to administer the Federal student financial assistance programs authorized under Title IV of the Higher Education Act (HEA) of 1965. The Title IV programs, which provide funds to help students and families pay for the cost of postsecondary education, are the Nation's largest source of financial aid for postsecondary students. The account provides funding to administer the student aid lifecycle including: educating students and families about the process for obtaining Federal aid and repaying Federal student loans; processing over 17 million student financial aid applications; disbursing more than \$122.2 billion in Direct Loans, including consolidation loans, and approximately \$38.1 billion in Pell grants during fiscal year 2024; administering a loan portfolio of more than \$1.6 trillion; and protecting students and taxpayers by ensuring that Federal resources are used appropriately.

The Higher Education Amendments of 1998 established FSA as the Federal Government's first performance-based organization to improve service for students, parents, schools, and other program participants; to reduce student aid administration costs; to increase the accountability of the officials responsible for administering program operations; and to integrate the student aid

¹ The GEPA extension expired September 30, 2015; reauthorizing legislation is sought for fiscal year 2024.

² The amounts shown here and discussed throughout the Congressional Justification reflect the Administration's estimated allocation between Loan Servicing Costs and Salaries & Expenses. The Congressional allocation between these activities is \$975 million Loan Servicing Costs and \$1,059 million Salaries and Expenses. Any reallocation of funds by the Department will require a reprogramming and notification of the Appropriations Committees.

³ The 2023 FTE total does not include 26 FTE related to and funded by CRRSAA.

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processing and delivery systems. The Offices of Postsecondary Education (OPE), the Office of the Under Secretary (OUS), and FSA oversee and administer the Federal student financial assistance programs. OPE, under the direction of the Under Secretary, formulates policy for these student financial assistance programs and administers other Federal postsecondary education programs. In addition, other Department of Education (Department) offices—Office of the Chief Information Officer (OCIO); Office of the General Counsel (OGC); Office of Planning, Evaluation, and Policy Development (OPEPD) and Office of Finance and Operations (OFO)—contribute to the policy formulation, administration and oversight of the student aid programs.

The Federal Pell Grant program is the foundation of a low- or moderate-income student's financial aid package. The program provides financial assistance to students attending postsecondary education programs, disbursing approximately \$26.6 billion to 5.9 million low-and moderate-income undergraduate students during the 2022–2023 award year, with an average award of \$4,512. The maximum Pell Grant award for the 2023–2024 award year is \$7,395.

The William D. Ford Federal Direct Loan program drives a significant portion of FSA's workload. The direct loan program lends funds directly to students and their families through participating schools. In fiscal year 2024, the Department anticipates it will originate almost \$86 billion in new Direct Loans, excluding Consolidation Loans.

SAFRA (Student Aid and Fiscal Responsibility Act), Title II, Part A of the Health Care Education Reconciliation Act, 2010, ended the Federal Family Education Loan (FFEL) program's authority to originate new Federal student loans. In the FFEL program, private lenders provided funds, which are insured by loan guaranty agencies and then reinsured by the Government. Since July 1, 2010, the Department has originated and serviced all new Federal student loans through the direct loan program. FSA continues to administer the FFEL program, while lenders and guaranty agencies continue to service and collect some outstanding loans in the FFEL portfolio. FSA services government held-FFEL and direct loan program loans through the use of private contractors.

See the Student Loans Overview and Student Aid Overview for details on Student Loan programs in the fiscal year 2024 request.

Payment Pause

On March 20, 2020, in response to the COVID-19 emergency, FSA began providing temporary relief on Department-managed Federal student loans by allowing students to opt into a temporary suspension of loan payments and instituting a 0 percent interest rate. One week later, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law, extending the relief through September 30, 2020 to all borrowers with federally-held loans without requiring borrowers to opt in, while adding several borrower benefits and protections. The relief has been extended several times since then. In August 2022, the Biden-Harris Administration announced one-time student debt relief to help borrowers at highest risk of delinquency or default due to the financial harms of the pandemic. The one-time debt relief program was halted by lawsuits brought on by opponents of the program. While the Department awaits the Supreme Court's decision on the one-time debt relief program, the pause on student loan payments remains in effect. Payments will resume 60 days after the Supreme Court announces its decision. If the program has not been implemented and the litigation has not

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been resolved by June 30, 2023, payments will resume 60 days after that. Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2019	1,678,943
2020	1,768,943
2020 CARES Act	40,000
2021	1,853,943
2021 CRRSAA	30,000
2021 Mandatory ARP Act	91,130
2022	2,033,943
2023	2,033,943

FY 2024 BUDGET REQUEST

The Administration is requesting \$2.654 billion to administer the Federal student aid programs in fiscal year 2024, which is \$620 million more than the fiscal year 2023 appropriation. After receiving a straight-line appropriation in fiscal year 2023, the funds in this request are critical to provide core operations for at least 12 months and implement reforms that improve FSA's ability to serve students and borrowers while strengthening protections and ensuring its vendors are able to provide high-quality service. This request also includes funding for a long-term, high-quality servicing solution through the full implementation of the Unified Servicing and Data Solution (USDS), the execution of the final phase for the implementation of the Free Application for Federal Student Aid (FAFSA) Simplification Act and FUTURE Act, and the protection of the personally identifiable information of approximately 87 million users.

The fiscal year 2024 request includes the following major categories:

- 1) Loan servicing activities** total \$1,448.6 million, a net increase of \$341.7 million more than the fiscal year 2023 appropriation. The request reflects the transition from legacy servicing contracts to USDS and return to repayment, assumes a reduction in the portfolio from the President's debt relief policy, and provides for a full 12 months of operations including a smooth transition between the legacy servicers and USDS. More information is provided on page 21.
- 2) Student Aid and Borrower Eligibility Reform (SABER) initiative** totals \$115.7 million, an increase of \$9.2 million more than the fiscal year 2023 appropriation. The costs are critical for full implementation of the requirements in the FAFSA Simplification Act and FUTURE Act and ongoing operations. Additional information is provided on page 27.
- 3) FSA Information Technology (IT) activities** total \$184.3 million, an increase of \$45.9 million more than the fiscal year 2023 appropriation. Increased costs are necessary to support activities to protect against security breaches, meet compliance of Executive Order 14028, and to ensure protection of borrowers' personal information as well as providing the necessary IT infrastructure for FSA's data storage. More detail is provided on page 34.

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- 4) **FSA Core Systems and Other Non-Major FSA activities** total \$434 million, a net increase of \$175.8 million more than the fiscal year 2023 appropriation. The fiscal year 2024 funding request is needed to provide operations, maintenance, and development support for core system costs (i.e., Common Origination and Disbursement (COD) system, Next Gen Digital and Customer Care (DCC), Next Gen Business Process Operations (BPOs), Next Gen National Student Loan Data System (NSLDS), Next Gen Partner Participation and Oversight (PPO) initiative, as well as other FSA core systems that assist with supporting students and borrowers throughout the financial aid lifecycle). Additional information is provided on page 36.

- 5) **Personnel Compensation and Benefits (PC&B), Overhead, and other Non-FSA Activities** total \$471.5 million, an increase of \$47.5 million from fiscal year 2023. The increased costs include a proposed 5.2 percent Governmentwide pay raise and increased cost of benefits to support 1,428 Full-Time Equivalent (FTE) in FSA, and 1,593 FTE in total, an increase of 43 FTE (33 for FSA and 10 for other offices) in fiscal year 2024 from fiscal year 2023. The 33 additional FTE for FSA in fiscal year 2024 will primarily support increased oversight and enforcement, including work generated from Borrower Defense applications. Additional information is provided on page 47.

Loan Servicing Activities: \$1,448.6 million

The fiscal year 2024 request includes \$1,448.6 million for loan servicing activities, an increase of \$341.7 million more than the fiscal year 2023 appropriation, which is primarily to support 12 months of operations and funding for legacy servicing and the transition to the Unified Servicing and Data Solution (USDS).

New Loan Servicing Contracts

Since 2015, the Department has prioritized the rebuilding of the student loan repayment system, and the centerpiece of that effort is establishing USDS as the long-term student loan servicing solution. FSA is in the process of awarding new loan servicing contracts, which will allow FSA to make long-desired changes to the repayment system to improve customers' experiences and outcomes, provide servicers with clear and consistent requirements, and hold servicers more accountable for preventing delinquency and default, especially among at-risk borrowers. The approach to establish USDS builds on the best of previous work while taking lessons learned and stakeholder input into account. This strategy begins by awarding long-term contracts that make necessary improvements immediately and puts a stronger focus on identifying and widely implementing innovative practices that will address persistent issues in student loan and servicing performance to support better borrower outcomes. USDS includes the procurement and award of new servicing contracts, as well as accompanying improvements across FSA systems. USDS was announced in a Request for Information in February 2022.¹ FSA published the request for proposals in May 2022² and proposals were received in July 2022. Since that time, FSA has been evaluating Offerors' proposals and negotiating with eligible vendors. FSA is

¹ Background and Request for Information on the Unified Servicing and Data Solution (USDS), <https://sam.gov/opp/799f4f6a2812407985baca278620a753/view>.

² Unified Servicing and Data Solution (USDS), <https://sam.gov/opp/a6a01ff283f648fb8840dd35e22a799d/view>.

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in the process of making awards. Components of USDS will be implemented on a rolling timeline pending available resources in 2023 and 2024.

In 2024, the USDS contracts will go live, providing long-term stability to the Direct Loan program and creating a solid foundation for continued improvements to borrowers' experiences and outcomes. Under USDS, new servicers will operate under the most up-to-date cybersecurity posture, ensuring that borrower data is secure, that systems are less vulnerable to cyberattacks, and that business processes are aligned with new USDS requirements. In 2024, FSA plans to leverage the systems that have been created under the Next Gen FSA initiative, launching additional investments in Digital and Customer Care (DCC), Business Process Operations (BPO), the National Student Loan Data System (NSLDS), and the Enterprise Data Management and Analytics Platform Services (EDMAPS) to bring the administration of specialty loan servicing programs (i.e., Public Service Loan Forgiveness (PSLF), Temporary Expanded PSLF (TEPSLF), Total and Permanent Disability (TPD) discharges, and TEACH Grants) into FSA's enterprise of systems and services. This change will provide many benefits to borrowers and allow for increased oversight of these programs. FSA will also implement single sign-on, providing borrowers with the ability to use their FSA ID to login to servicers' websites as well as StudentAid.gov, increasing borrowers' exposure to FSA's website, tools, and authoritative information.

The following pages outline details of the next stages of USDS implementation and path to achieving a single repayment portal on StudentAid.gov.

Background

Since the inception of the Federal Direct Loan program, the Department has contracted with external vendors (i.e., loan servicers) to service the Department-held portfolio of non-defaulted federal student loans. This portfolio includes both Direct Loans and Department-held Federal Family Education Loan (FFEL) Program loans. Loan servicers are responsible for collecting payments on Federal student loans, advising borrowers on resources and benefits to better manage their Federal student loan obligations, responding to customer service inquiries, and performing other administrative tasks associated with maintaining a loan on behalf of the Department. The current loan servicing contracts were originally awarded by FSA between 2009 and 2013 through either the Title IV Additional Servicers (TIVAS) procurement or through statutorily required non-competitive awards to not-for-profit (NFP) servicers with prior experience in the FFEL program. All contracts included terms that allowed them to be extended into 2021. FSA then used authority provided by Congress in the 2021 Appropriations Act to further extend the contracts with six servicers through December 2023. Authority to add an additional year extension was provided by the Consolidated Appropriations Act, 2023.

The structure of the legacy contracts – which largely provided servicers with operational autonomy, used commercial branding, and lacked appropriate accountability metrics – resulted in inconsistency across platforms and servicers, oversight challenges, operational complexity, inefficiency, and additional costs. There was a growing consensus that the service being provided through these contracts was inconsistent, with untimely and inaccurate responses to borrower inquiries and complaints occurring far too often. Moreover, because of the fragmented servicing system and lack of reporting on effective practices, it was difficult to gather and

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implement insights about effective or innovative servicing practices, making it difficult for FSA to implement servicing practices that meet borrower needs.

In 2014, improvements were made to the underlying servicing contracts, including, changes to the pricing structure to better incentivize positive borrower outcomes. In anticipation of the expiration of the legacy servicing contracts, FSA first published a re-compete of the legacy loan servicing contracts in 2016. Subsequent efforts were made in 2017, 2019, and 2020, all of which were ultimately unsuccessful. In the meantime, FSA needed to address the expiration of the looming loan servicing contracts, as well as an increasingly complex policy environment and maturing technological landscape.

The Unified Servicing and Data Solution (USDS)

USDS includes the procurement and award of new servicing contracts, as well as accompanying improvements across FSA systems and to the borrower experience. USDS was announced in a Request for Information in February 2022.¹ FSA published the request for proposals in May 2022² and proposals were received in July 2022. FSA is focused on making awards and preparing the new USDS servicers to go-live before the expiration of the legacy servicing contracts.

USDS is a project that falls under the Next Gen FSA initiative, which was put in place in 2017 to modernize the way FSA operates and serves customers and partners. While Next Gen includes the new loan servicing contracts, the initiative also addresses all aspects of FSA's operations and has achieved significant advancements in FSA's technical infrastructure, tools, and services for customers and partners. In addition to USDS, the following projects currently fall under the Next Gen FSA umbrella:

- Digital and Customer Care (DCC), which includes a Digital Platform, StudentAid.gov; a Marketing and Communications Platform that allows FSA to send targeted, mass communications through branded messages; and a Customer Care Platform, which consists of a single 1-800 number, a customer relationship management (CRM) tool for contact centers and case management, centralized training, and a third-party quality monitoring solution.
- Business Process Operations (BPO) vendors, which staff the 1-800-4-FEDAID contact center, perform back-office processing, and provide fulfillment services.
- EDMAPS, an enterprise-wide data platform that allows FSA to collect, use, and analyze data from disparate sources.
- Next Gen NSLDS, which was rebuilt and launched in 2022 and serves as FSA's repository for Aid information.
- Title IV Origination and Disbursement (TIVOD) modernization, which will establish new, long-term contracts for the Common Origination and Disbursement (COD) system, NSLDS, EDMAPS, and partner-facing customer service (e.g., a single contact number and CRM).

¹ <https://sam.gov/opp/799f4f6a2812407985baca278620a753/view>

² <https://sam.gov/opp/a6a01ff283f648fb8840dd35e22a799d/view>

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USDS involves 6 components of work:

1. New contract awards, new servicing and cybersecurity requirements with the USDS servicers, and improved vendor accountability.
2. Transition of specialty loan servicing (TEACH Grants, PSLF and TEPSLF, and TPD discharges) to StudentAid.gov and the BPO providers.
3. Single sign-on via the FSA ID.
4. Building borrower-facing repayment tools on StudentAid.gov.
5. Creating a unified data model and comprehensive data reporting structure.
6. Developing capacity to perform specialty servicing tasks.

New contract awards

FSA is in the process of developing the USDS technical infrastructure. The USDS contracts will go live in 2024, providing long-term stability to the Direct Loan program and creating a solid foundation for continued improvements to borrowers' experiences and outcomes.

Full implementation of USDS will achieve the Department's long-established goals of ensuring the stability of the loan servicing environment; bringing servicers into compliance with modern cybersecurity standards; holding servicers more accountable through a new pricing schema, service level agreements, and incentive structure; and ultimately building a single repayment portal for federally-managed borrowers on StudentAid.gov.

Transition of Specialty Loan Servicing

Currently, the specialty servicing programs (i.e., Public Service Loan Forgiveness (PSLF), Temporary Expanded PSLF (TEPSLF), TEACH Grants, and Total and Permanent Disability (TPD)) are managed by a single loan servicer, which introduces several issues for both the borrower experience and servicer accountability. Having one vendor manage each program means that, when borrowers apply for the program, they are transferred from their current servicer to the dedicated specialty servicer. A servicer transition is not only disruptive to the borrower, but the process provides the specialty servicer with an account that they have not earned based on performance. Additionally, non-specialty servicers have little incentive to counsel borrowers toward a specialty program because they would then lose the account, and thus any future revenue associated with the borrower. Under the current structure, FSA also loses leverage in implementing improvements to the programs, as the administration of each program becomes contingent on the specialty servicer's tools and pricing. This makes it difficult for FSA to make positive improvements in processing and borrower experience without extensive negotiations and is often met with the addition of significant one-time and ongoing costs.

To solve for these problems, USDS centralizes the specialty programs on FSA's platforms, including StudentAid.gov, with processing work performed by BPO providers. This approach will enable better oversight of these programs and improve the quality and consistency of borrowers' experiences. This will help FSA begin to achieve the goals of providing borrowers with simpler, more effective interactions during repayment; improving FSA's access to and use of data to improve borrowers' experiences and outcomes; and increasing borrower access to clear, accurate, and timely information.

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Single sign-on via the FSA ID

Currently, customers can only use the FSA ID to access StudentAid.gov; they must maintain different credentials to access their servicer's website. As a result, once borrowers enter repayment, they infrequently log into StudentAid.gov, missing out of many of the automated tools and processes that FSA has invested in over the last five years to improve the borrower experience. For example, many borrowers forego completing an income-driven repayment (IDR) application on StudentAid.gov, opting instead to complete enrollment over the phone with their servicer or sending in a paper application. This adds processing time and complexity, delaying a borrower's enrollment in an IDR plan and diverting servicer resources that could be devoted to more complex tasks.

The USDS Single Sign-On (SSO) solution will enhance the borrower experience by providing one username and password (i.e., FSA ID) to access both StudentAid.gov and servicer web sites. Instead of maintaining two sets of credentials, the USDS SSO solution will allow an authenticated user to simultaneously use StudentAid.gov and their servicer web site, providing borrowers with easier access to the tools that are currently accessed through different authentication systems. SSO also provides the benefit of transitioning all borrowers to multi-factor authentication (MFA), which is a security protocol that was implemented for the FSA ID in 2022 but has yet to be implemented in servicers' authentication systems. Leveraging SSO allows FSA to implement MFA in a more efficient and cost-effective manner than if FSA required each servicer to implement their own MFA solution.

The implementation of single sign-on is an important first step in the ultimate shift of all repayment activity to StudentAid.gov, as it ensures that, instead of borrowers having a different login for their loan servicer's website and StudentAid.gov, they are using the FSA ID across all websites, increasing borrower traffic to the tools and information on StudentAid.gov. Activities will include a phased roll-out of single sign-on functionality with the USDS servicers, additional BPO contact center support for borrowers needing assistance in accessing their FSA ID, enhancements to self-service functionality (such as account recovery) associated with the FSA ID, increases in capacity of the FSA ID system, and proactive communications to aid borrowers in transitioning from servicers' authentication methods to the FSA ID.

Building Borrower-Facing Repayment Tools on StudentAid.gov

It has been a long-time goal of FSA to have all federally-managed borrowers navigate their repayment journeys on StudentAid.gov, as the current environment requires borrowers to manage repayment through their servicer's website, resulting in borrower confusion and the proliferation of third-party debt relief scams that take advantage of the current, fragmented system.

Developing a repayment portal is a major initiative that requires significant investment in FSA infrastructure, borrower tools, and communications with borrowers. It is also an initiative that carries significant risk should tools not be functional when they are introduced. To address the breadth and sensitivity of the project, FSA plans to take a phased approach to building out the borrower portal, starting with the award of new servicing contracts (to provide a stable, long-term foundation for enhancements) and the implementation of SSO.

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In fiscal year 2024, FSA will begin work to define requirements and develop the design of portions of repayment functionality on StudentAid.gov. This will require development of FSA's infrastructure, including new Application Programming Interfaces (APIs), a unified data model, and finally, multiple new tools for borrowers. FSA anticipates building tools to support repayment over the course of fiscal years 2024, 2025, and 2026, given the extensive infrastructure necessary to support these functions and the sensitivity of these tools to borrowers' ability to manage their repayment journeys.

Creating a Unified Data Model and Comprehensive Data Reporting Structure

Currently, loan servicers use different platforms – with different data models – to service loans. While this does not cause day-to-day problems within a servicer's platform, it does lead to challenges when data must be translated between servicers, such as when accounts are transferred or when FSA needs to use data from different servicers for functional processes, such as processing payments.

To address these issues, FSA will develop a unified data model that standardizes data from disparate servicers' systems into one consistent record. This unified data model will allow FSA to collect more data from servicers to enable account management on StudentAid.gov; store more servicing data for purposes of oversight and analytics; and simplify the loan transfer process by decreasing the amount of data translation that needs to occur when accounts migrate. Without a unified data model, there will be significant lags in processing data that need to be sent to and from servicers/FSA and an increased likelihood of processing errors due to the complexity of data translation.

FSA will work through fiscal year 2024 and into 2025 to develop a comprehensive data model that will support receiving more data from USDS servicers. This includes identifying the necessary data elements to support full repayment functionality on StudentAid.gov, faster and less disruptive loan transfers, and improved monitoring of portfolio performance. During fiscal year 2024, FSA will identify necessary data elements, construct a preliminary data model, and collaborate with the USDS servicers to refine this data model. FSA will begin to use and iterate on this data model in fiscal year 2025 as repayment functionality is built on StudentAid.gov.

Developing Capacity to Perform Specialty Servicing Tasks

Specialty servicing tasks are business functions that have historically been awarded to a single servicer to support discrete servicing functions that have historically been best supported by a single provider rather than all servicers because of their complexity and need for operational support. These specialty servicing tasks include the Image Repository, Decommissioned Servicer Data and Payment Support, FFEL Guaranty Agency Rehabilitation Loan Support, and Legacy Loan Consolidation Origination and Disbursement Support Functions. Under USDS, FSA envisions supporting these tasks on FSA's systems (such as EDMAPS) to provide better oversight, data accessibility, and operational efficiency. In fiscal year 2024, FSA will begin developing the infrastructure needed to support a central Image Repository and will start solutioning for the more complex tasks related to payment and consolidation support services.

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Return to Repayment

When payments resume, the Department must ensure that the transition back into repayment is as smooth as possible. The Department is committed to ensuring that borrowers can successfully resume student loan repayment and remain in good standing with their student loans and is preparing to assist all borrowers in resuming payments with a particular focus on those who are most at risk. The Department will execute a multi-channel communication and engagement plan to raise awareness of the resumption of payments and direct all borrowers, particularly those who need assistance, towards available resources. FSA will continue to collaborate with borrower advocates, Congressional offices, schools, and community-based groups when providing return to repayment education. Additionally, media outlets will also be used as another avenue for publishing accurate information about how borrowers can navigate returning to repayment.

Loan servicers will also play a key role in helping borrowers successfully transition back into repayment, and the Department is working to ensure that servicers provide borrowers with appropriate outreach regarding payment resumption and assistance to meet their repayment needs. Servicers are communicating with borrowers who are enrolled in auto-debit/automated clearing house (ACH) and will confirm the borrowers' enrollment post-payment pause. Additionally, borrowers will not need to recertify for an Income Driven Repayment (IDR) plan until six months following the end of the suspension of payments; other flexibilities have been offered to borrowers to allow for self-certification of income and family size.

The Department has also established a robust Quality Assurance (QA) framework to oversee its extended workforce, including loan servicers. This QA framework leverages industry best practices of establishing multiple lines of oversight within FSA and targeted risk-based reviews. Specifically, the Department has enhanced operational reporting, established vendor liaisons, renewed its focus on customer listening and complaint analysis, and partnered with Federal regulators like the Consumer Financial Protection Bureau and the Federal Trade Commission.

The fiscal year 2023 straight-line appropriation from fiscal year 2022 levels poses significant risks in implementing these necessary initiatives for a smooth return to repayment. The fiscal year 2024 request is even more critical to ensure FSA and service providers have the necessary means to support borrowers as they transition back into repayment.

Student Aid and Borrower Eligibility Reform (SABER): \$115.7 million

The FUTURE Act amends Section 6103 of the Internal Revenue Code (IRC) and allows for certain taxpayer information to be shared with the Department through FSA for the purposes of the administering the FAFSA form, Income-driven Repayment (IDR) plans, and the total and permanent disability (TPD) discharge program.

The Consolidated Appropriations Act, 2021 amended requirements stated in IRC section 6103 to allow individuals to share Federal Tax Information (FTI) among family members. Additionally, the law included the FAFSA Simplification Act, which requires FSA to modify the student aid eligibility determination, disbursement, and verification process by changing how aid eligibility (e.g., Federal Pell grants) is calculated and determined.

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The FUTURE Act and the FAFSA Simplification Act fundamentally change the way students apply for aid, as well as how institutions of higher education and the Federal Government administer that aid. For example, the FUTURE Act and the FAFSA Simplification Act introduce complex changes to intricately linked business processes, systems and partnerships including the COD system and the NSLDS. Additionally, the successful implementation of the FAFSA Simplification Act will depend on a modernized FAFSA backend system. Both legislative mandates will also impact the financial aid community (e.g., schools, software vendors, State agencies, designated scholarship organizations) and require substantial changes to their processes and systems.

The SABER initiative will implement the FUTURE Act IDR and FAFSA solutions and provisions of the FAFSA Simplification Act; modernize the FAFSA system through the Award Eligibility Determination (AED) solution; manage impacts to the Application Eligibility Determinations System (AEDS); and improve communications and outreach to students, parents, borrowers, and partners. The implementation of the FUTURE Act and FAFSA Simplification Act began in fiscal year 2020 and will continue through fiscal year 2024 until FSA fully implements the provisions of the FAFSA Simplification Act for the 2024–25 award year.

FSA is implementing both legislative mandates in three coordinated areas:

- Implementation of the IRS Interface: Starting in fiscal year 2020 and continuing through fiscal year 2024, phase one aims to establish FSA's ability to request and receive certain FTI from the Internal Revenue Service (IRS) through the FUTURE Act Direct Data Exchange (FA-DDX), an interface that enables FSA to request, receive, and process federal tax information from the IRS.
 - In fiscal year 2020, FSA supported the IRS in establishing the technical foundation for the FA-DDX.
 - In fiscal year 2021, FSA continued to support the IRS in introducing changes to the FA-DDX to implement the FUTURE Act total and permanent disability (TPD) discharge provisions.
 - In fiscal year 2022, FSA continued to support the IRS in introducing changes to the FA-DDX to implement the FUTURE Act IDR and FAFSA provisions.
 - In fiscal year 2023, FSA plans to enable the IRS to operationalize the FA-DDX interface for both the 2024-25 FAFSA form and the IDR form, while ensuring FSA can continue implementing changes to systems that are impacted by the interface such as the Person Authentication System (PAS), COD, and the AED solution.
 - In fiscal year 2023, the regulatory changes to the TPD discharge program, effective on July 1, 2023, eliminated the three-year income monitoring period once a borrower qualifies for a TPD discharge. As a result, FSA and the IRS continue to focus its implementation efforts on enabling the FUTURE Act IDR and FAFSA solutions.

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- Funding in fiscal year 2024 will enable FSA to have the FA-DDX interface fully operational. Additionally, funding in fiscal year 2024 will allow FSA to support enhancements to how the FAFSA and IDR processes leverage federal tax information to determine eligibility for student aid and IDR plans. These enhancements include the implementation of bulk IDR application processing and the availability of operational tools to analyze processed FAFSA and IDR information.
- Significant Changes to FSA Systems: Starting in fiscal year 2021 and continuing through fiscal year 2024, phase two includes updates to FSA systems and processes to enable the provisions of the FUTURE Act and FAFSA Simplification Act for the 2023–24 and 2024–25 award years.
 - In fiscal year 2021, FSA awarded multiple contracts to begin the development of the applications and infrastructure that will manage and store FTI. These contracts included:
 - the FTI Infrastructure, a secure cloud environment that hosts the applications that manage and store FTI;
 - the FTI Module, an application that leverages FTI to determine continued eligibility for TPD, calculate IDR monthly payment amounts, and calculate the Student Aid Index; and
 - the FTI Data Mart, an application that leverages FTI to conduct analyses and forecasts related to the TPD, IDR, and FSA programs.
 - In fiscal year 2021, FSA released the AED solicitation, which enabled FSA to procure the new FAFSA backend system that processes FAFSA forms and determines aid eligibility for the 2024–25 award year. Additionally, FSA made modifications to several FSA systems and processes such as the COD system, PAS, NSLDS, and the DCC platform to begin the implementation of both legislative mandates.
 - In fiscal year 2021, FSA extended the AEDS contract to ensure the continual operation of the Central Processing System (CPS) and its associated products as FSA procured the new AED solution. Additionally, the AEDS contract extension enabled FSA to implement the provisions of the FAFSA Simplification Act for the 2023–24 award year and ensure the FAFSA form’s availability for students, their families, and FSA’s partners including the
 - removal of the Selective Service question;
 - removal of the Selective Service match process;
 - removal of the questions and worksheet associated to drug convictions;
 - addition of demographic questions based on the FAFSA Simplification Act;
 - expansion of the Pell Lifetime Eligibility Used (LEU) restoration; and
 - extension of Pell grants to incarcerated students.

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- In fiscal year 2022, FSA awarded the AED solicitation. The AED solution replaces the CPS solution and increases FSA's agility, efficiency, stability, and security in delivering changes to students and families. The AED solution enables FSA to fully implement the FUTURE Act and FAFSA Simplification Act for the 2024–25 award year.
- In fiscal year 2022, FSA initiated modifications to many FSA systems and processes such as the COD system, NSLDS, DCC, PAS, servicing systems, Enterprise Data Warehouse and Analytics platform, Access and Identify Management System, and the Student Aid Information Gateway to implement both legislative mandates for the 2024–25 award year.
- In fiscal year 2023, FSA plans to operationalize the AED solution for the 2024–25 award year and continue finalizing changes to the systems that will be impacted by the FUTURE Act and FAFSA Simplification Act. Additionally, FSA plans to start decommissioning CPS.
- Funding in fiscal year 2024 enables FSA to have the AED solution fully operational for both the 2024–25 and 2025–26 award years, which will be the first instance where the AED solution will handle two concurrent FAFSA cycles. Funding in fiscal year 2024 also allows FSA to initiate the final stages of decommissioning the existing CPS solution. Additionally, funding in fiscal year 2024 allows for FSA to continuously safeguard and monitor applications and systems that will receive, store, and manage federal tax information from the IRS.
- Training and Resources for FSA's Partners: Starting in fiscal year 2022 and continuing through fiscal year 2024, phase three enables FSA's work with its partners—schools, State agencies, and designated scholarship organizations—as they update their systems and processes to fully implement the FUTURE Act and FAFSA Simplification Act for the 2024–25 award year. Additionally, phase three enables FSA to ensure that its customers—students, parents, borrowers, and their families—are properly informed of the changes to the FAFSA, IDR, and TPD processes.
 - In fiscal year 2022, FSA engaged partners in preparation to implement the provisions of the FUTURE Act and FAFSA Simplification Act for the 2024–25 award year. Additionally, FSA plans to ensure that its customers are properly informed of how the FAFSA, IDR, and TPD processes are changing because of the FUTURE Act and FAFSA Simplification Act.
 - In fiscal year 2022, FSA began finalizing outreach materials such as webinars, fact sheets, guides, and updates to StudentAid.gov and FSA Connect in conjunction with FSA's planned engagements and outreach to its partners and customers.
 - In fiscal year 2023, FSA plans to provide far more expansive and robust training, communications, and support to its partners compared to previous FAFSA cycles.

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- Funding in fiscal year 2024 would enable FSA to sustain the training, communications, and support activities to its partners. These activities include continuous updates to partner communications (e.g., Financial Aid Toolkit, Partner Connect), webinars, and preview presentations.

Until the implementation of the FUTURE Act and FAFSA Simplification Act are completed, FSA will need to continue its interagency agreements with IRS for the IRS Data Retrieval Tool (DRT), which provides applicants access to specific data elements from their individual tax return and a secure way to transfer data to complete tax-related sections on the online FAFSA form and IDR application. This tool allows federal aid applicants and student loan borrowers a convenient and simplified way for applying for aid and options for repayment, while reducing the submission of inaccurate financial information.

During fiscal years 2022 and 2023, most of the development activities for the FUTURE Act will have been implemented and fully operational, including the FUTURE Act solutions (e.g., FTI Infrastructure, FTI Module, and FTI Data Mart). Additionally, the AED solution, will be operational for the 2024-25 award year and serve as the new FAFSA backend system. FSA plans to also decommission the IRS DRT solution for the IDR form by fiscal year 2024 and the IRS DRT solution for the FAFSA form by fiscal year 2025.

For fiscal year 2024, the Administration requests \$115.7 million for the SABER initiative, \$9.2 million more than the fiscal year 2023 appropriation. The implementation activities supported by the SABER initiative include \$25.4 million for the development, operations, and maintenance of the AED solution, which will serve as the new FAFSA backend system beginning in the 2024-25 award year; \$45.2 million for the development, operations, and maintenance of the systems that will manage and store federal tax information; and \$18.3 for implementation of system and process changes based on the FUTURE Act and FAFSA Simplification Act. Additionally, \$4.0 million will enable the continuous operations and development of the FUTURE Act FA-DDX with the IRS; \$10.8 million will support the CPS legacy system's operations of the 2023–24 FAFSA cycle and subsequent decommissioning; and \$12.0 million is necessary for the IRS DRT interagency agreements for the FAFSA form.

Federal Student Aid IT activities: \$184.3 million

FSA takes seriously the ongoing security threats to operations and the risk of compromising students' and borrowers' personal information within FSA and across institutions of higher education. With increased cybersecurity risks across government and organizations, security threats may come in many forms including patching vulnerabilities, ransomware, and phishing attacks. FSA is dedicated to working with schools to safeguard students' data and has provided multiple presentations to education professionals on FSA's role in assisting schools with addressing cybersecurity findings. Additionally, FSA continues to collaborate with the Department's Office of the Chief Information Officer to ensure compliance with the Federal Information Technology Acquisition Reform Act, the Executive Order Improving the Nation's Cybersecurity, (EO 14028), the Federal Zero Trust Strategy, and OMB and Department of Homeland Security IT requirements. This requires FSA to improve protection, response, and remediation capabilities to safeguard sensitive data.

The below descriptions provide details for FSA's IT activities and investments within the Enterprise Technology Directorate.

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FSA Cybersecurity Program: \$65.6 million

The FSA Cybersecurity Program protects information assets including data, IT infrastructure, and applications for the third largest Federal repository of sensitive personally identifiable information (PII), as well as a \$1.6 trillion student loan portfolio. The FSA Cybersecurity Program strives to improve IT security by increasing situational awareness, improving network monitoring and continued incident response, conducting formal security authorizations, securing operations of FSA systems, managing security vulnerabilities at an acceptable risk level, and documenting FSA security guidelines. FSA must comply with the Federal Information Security Modernization Act (FISMA) of 2014 through testing, verification, and validation of the security controls of approximately 75 reportable FSA systems.

In fiscal year 2023, to comply with EO 14028, FSA is in the process of consolidating multiple asset databases into a single Enterprise Configuration Management Database (CMDB), to facilitate end to end asset visibility. This is expected to take approximately 12 months to deploy. In fiscal year 2024, FSA will continue the operations, maintenance, and enhancements to address the evolving cybersecurity landscape and the new system related to the implementation of the SABER initiative. The fiscal year 2024 request allows FSA to continue to operate and enhance the Enterprise CMDB, automate the vulnerability management process, and automate responses to cybersecurity events. The request supports the EO 14028 through the prioritization of major initiatives including mandated logging maturity level requirements, securing High Value Assets (HVAs)¹, Zero Trust Architecture (i.e., covering maturity models for identity, device, network applications, and data), and automation of cybersecurity services.

The IHE Cybersecurity Division provides technical assistance to institutions of higher education in the form of incident response support, assistance remediating Gramm-Leach-Bliley Act (GLBA) audit findings, sharing of cyber threat information, and outreach to notify schools of available technical resources, provide clarification on general guidelines, and provide information on practical implementation and best practices. In fiscal year 2024, new guidelines under the GLBA, as well as new requirements concerning the handling of Federal Tax Information (FTI) and Controlled Unclassified Information (CUI), will require an increase in oversight and outreach activities. Because institutions will receive FTI through the FAFSA starting in Award Year 2024-2025, and because FTI is a type of CUI, we are required by Executive Order 13556², 32 CFR Part 2002³, and an Education Department directive to control how the schools use, store and safeguard this information. We estimate a four-fold increase in the work of the FSA IHE Cybersecurity Division due to anticipated increases in the number of GLBA findings, cybersecurity incidents, and cyber threats, as well as the need for expanded communications and outreach.

Finally, the fiscal year 2024 request will support the completion of the Federal Zero Trust Strategy (M-22-09) requirements and new programs through the expansion of the Department of Homeland Security's directed continuous monitoring program to the servicers, TIVAS, and

¹ A HVA is an information system critical to an organization that the loss or corruption of this information or loss of access to the system would have serious impact to the organization's ability to perform its mission or conduct business. These HVAs may contain sensitive controls, instructions or data used in critical operations, or unique collections of data.

² <https://www.federalregister.gov/documents/2010/11/09/2010-28360/controlled-unclassified-information>

³ <https://www.ecfr.gov/current/title-32/subtitle-B/chapter-XX/part-2002>

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systems hosted by third party vendors and the integration of automated data feeds to enable situational awareness and the monitoring of all FSA information systems.

The fiscal year 2024 request includes \$21.3 million more than the fiscal year 2023 appropriation. This increase will primarily support 12 or more months of operations and maintenance that is required since the fiscal year 2023 straight-lined appropriation from fiscal year 2022 is covering less than 12 months. Funds are also required to implement additional capabilities to move information systems towards compliance with EO 14028.

Identity and Access Management (IAM): \$14.0 million

IAM includes multiple systems and capabilities and integrates with all new and legacy FSA applications to manage and track two-factor authentication, security training, rules of behavior acknowledgement, self-service password resets, and security access policy enforcement for privileged users. IAM provides secure, efficient access to FSA systems for approximately 87 million users.

IAM provides the FSA enterprise with enhanced sign-on capability and access control for web applications to privileged users (i.e., school administrators, system administrators, and database administrators). It also provides integrated horizontal sign-on to multiple applications, thereby enforcing standardized security requirements such as identity, password complexity and multi-factor authentication.

The fiscal year 2024 request of \$14.0 million supports recomplete efforts for the operations and maintenance of the Access and Identity Management System and Person Authentication Service and development and enhancement activities related to Risk-Based Authentication and Multi-Factor Authentication to support the implementation and execution of EO 14028.

Next Generation Data Center (NGDC): \$56.2 million

NGDC serves as the host facility for FSA applications that process student financial aid applications (grants, loans, and work-study) and supports payments from and repayment to lenders. The NGDC is organized around four types of components: network infrastructure, midrange servers (Microsoft Windows platforms, UNIX/Linux platforms), IBM mainframes, and components in the cloud. It leverages security measures to ensure the protection of controlled unclassified information, increase availability and reliability of services that support FSA operations, improve elasticity and scalability of resources to the cloud environment, and preserve legacy mainframe capabilities and infrastructure.

Additionally, the data center dedicated circuits provide the telecommunications backbone to FSA systems and call centers. These network services and Trusted Internet Connection capabilities support system management functions and inquiries into data processing with external stakeholders. Data center dedicated circuits include data and voice lines and toll-free numbers.

The fiscal year 2024 request includes funding for continued operations and maintenance of the NGDC, which includes organic growth within the data center and NGDC cloud environments. This investment is necessary for planning the closure of the physical data center and migration of applications to the cloud environment. The request represents organic growth within the data

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center, in addition to scheduled projects (cloud expansion, system migration, EO 14028 enhancements, Internet Protocol Version 6 transition, and Transport Layer Security 1.3 upgrade).

The fiscal year 2024 request includes \$56.2 million for NGDC, dedicated circuits, and data center support, an increase of \$8.2 million more than the fiscal year 2023 appropriation, which will primarily support 12 or more months of operations and maintenance that is required since the fiscal year 2023 straight-lined appropriation from fiscal year 2022 is covering less than 12 months.

FSA IT Management: \$16.8 million

FSA IT Management provides essential support to assist the FSA enterprise including the FSA Chief Information Officer in developing IT strategy, IT Portfolio Management (PfM), IT Project Management, Capital Planning and Investment Control, Enterprise Architecture, software engineering and testing services that are critical to the operational support and execution of all key FSA business applications.

In fiscal year 2024, the Enterprise Architecture and Engineering (EAE) request is \$11.3 million. EAE provides a full range of architectural and engineering services that provide FSA with the necessary services and support needed to continuously plan, maintain, and evolve our enterprise architecture. The services enable the organization to have access to information about FSA's IT systems and data to inform investment planning and decisions, as well as support analysis and identification of performance gaps, highlighting areas where opportunities for improvement, streamlining, standardization, and re-use exist. EAE also provides technical design oversight services to analyze, design, plan and implement enterprise solutions to successfully execute business and technical strategies in alignment with FSA's target architecture and cloud strategy and implement industry best practices.

This initiative also includes support for subject matter expertise in Enterprise Architecture and Capital Planning/PfM to analyze, design, plan and implement enterprise solutions to successfully execute business strategies. This support assists FSA in structuring IT projects and policies to achieve desired business results and be informed on industry trends. IT engineering expertise is provided to ensure technical solutions meet FSA requirements and represent industry best practices. Project management support provides project governance, project prioritization and reporting, risk and schedule management, and project management training. The request in fiscal year 2024 for this subject matter expertise is \$0.6 million.

Additionally, the FSA IT Management investment includes \$2.3 million in fiscal year 2024 for the Development Security Operations (DevSecOps) initiative, which integrates security throughout the software development lifecycle, allowing for secure architectural designs, efficient system integration, and the delivery of secure applications. FSA is developing the required processes, governance, and tool recommendations to create and implement (in FY25) an enterprise-wide development environment to enable automation, transparency, and a shared responsibility across the technology development and operations lifecycle. FSA is adapting where possible within current processes and while also developing additional processes where any gaps may exist, to fully incorporate DevSecOps. In this phase, FSA requires project management support

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and subject matter expertise to tailor a DevSecOps plan for the current and future technology environment.

Lastly, the fiscal year 2024 request includes \$2.6 million for ECM support; Enterprise Testing Services, which provides independent testing for applications; and Rational Support, which provides visibility to FSA system changes and manages the risks associated with these changes.

The total fiscal year 2024 request for FSA IT Management is \$16.8 million, \$10.1 million more than the fiscal year 2023 appropriation. This increase will primarily support 12 or more months of operations and maintenance that is required since the fiscal year 2023 straight-lined appropriation from fiscal year 2022 is covering less than 12 months.

Enterprise Software Licensing (ESL): \$26.7 million

ESL is the agency's licensing expense that supports numerous technologies and platforms for business systems. This function consolidates and establishes enterprise-wide agreements for similar types of software to reduce licensing duplication and gain economies of scale from volume pricing discounts. The request supports licensing for many systems and operations including, the FAFSA, FSA's Security Operations, Next Gen DCC, Next Gen Partner Connect, Next Gen BPO providers, the SABER initiative, Debt Management, NGDC's migration to an integrated cloud structure, and other enterprise activities.

The fiscal year 2024 request is \$26.7 million, the same as the fiscal year 2023 appropriation, to fund and maintain operations across the enterprise.

Enterprise Business Management System (EBMS): \$3.9 million

EBMS is FSA's solution to automate several manual paper-based processes, most of which are not currently supported by technology solutions. EBMS enables FSA business units to improve internal business processes and workflows unique to FSA processes; provide flexibility in adapting to changes in workflows and business rules due to legislative, regulatory, or operational requirements; and be responsive to time-sensitive business needs. In addition to workflow automation and increased visibility into work progress, key outcomes of the EBMS solution are document management, trend analysis, and report generation. These goals are also supported by the Enterprise Business Collaboration (EBC) initiative, which provides FSA and the Department a platform where the Department can collaborate across the agency with Microsoft SharePoint.

The fiscal year 2024 request includes \$0.1 million more than fiscal year 2023 appropriation. This request includes a small increase in organic growth in operations and maintenance activities.

Student Aid Internet Gateway (SAIG): \$1.1 million

SAIG and the Electronic File Transfer (EFT) system provide telecommunications and data transmission solutions for FSA's institutions (post-secondary schools, lenders, and guaranty and State agencies), the various Title IV application systems, and external government agencies. SAIG supports the sending and receiving of Privacy Act data for processing and reporting on financial aid. The EFT system is used by Title IV application systems to transmit and receive

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data for processing by government agencies including the Social Security Administration, the Department of Veterans Affairs, Department of the Treasury, and the Department of Homeland Security.

The fiscal year 2024 request is \$1.1 million for operations and maintenance, \$0.1 million more than fiscal year 2023 appropriation. A contract recompetes for SAIG will occur in fiscal year 2024. Existing contract vendor support services will continue during the transitional period to ensure continuity of operations and maintenance. The fiscal year 2024 request includes organic growth to support operations and maintenance activities support for a new Federal Tax Information Infrastructure (FTII) cloud environment that will be deployed by early fiscal year 2024.

FSA Core Systems and Other Non-Major FSA Activities: \$434.0 million

There are various core systems and FSA activities that assist in Federal student aid delivery throughout the student aid lifecycle. Engaging with students, parents, and borrowers; communicating with school partners; and originating and disbursing federal aid: these interactions all require support from FSA core systems and activities. This section will provide details about core systems and the Next Generation Federal Student Aid (Next Gen FSA) initiative, which is modernizing systems and business models for engaging with FSA.

The Next Gen FSA initiative started in fiscal year 2017 and has emphasized the importance of creating an improved, high-quality customer experience for FSA's millions of students and families by streamlining student aid systems and processes through consolidation of websites and alignment of supporting operations. Next Gen FSA is transforming various aspects of how FSA operates when interacting with customers and partners at postsecondary institutions.

The below sections provide descriptions of some of FSA's core systems and non-major activities in the areas of student and borrower engagement, institution engagement, and data.

Student and Borrower Engagement

Next Gen Business Process Operations (BPO): \$104.2 million¹

The BPO providers supply contact center personnel to operate the 1-800-4-FEDAID contact center, known as the Federal Student Aid Information Center (FSAIC). Through the use of BPO providers, FSAIC serves the public with information about the federal student aid application process, handles the intake of FSA's complaint process, Borrower Defense to Repayment Applications, PLUS Loan Credit Decision Appeals, and review of OIG fraud referrals among other activities. BPO providers are responsible for handling millions of customer interactions including inbound calls, chats, and email inquiries, and physical correspondence in both English and Spanish; BPO providers also handle back-office processing tasks to include handling complaints, Borrower Defense to Repayment applications, PLUS Loan Credit Decision Appeals, PSLF Employer Adjudications, and OIG fraud referrals. BPO providers receive ongoing training from FSA to ensure they are providing customers with accurate and consistent information and are treating customers and partners equitably. Customer service representatives have access to a CRM tool, which ensures consistent call management workflows, agent access to

¹ BPO costs are not inclusive of specialty loan servicing, which are included in the *Loan Servicing Contracts* section.

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comprehensive information on customers and partners, and the ability for the agent to tap into FSA-provided resources when necessary.

In fiscal year 2023, BPOs will continue to refine the support functions previously supported by the Legacy FSAIC vendor, the FSA Feedback System, the FSA Ombudsman, the Borrower Defense Hotline, the Office of Inspector General Fraud Referral and Analysis Support Center and applicant support services for students. This work is a major step toward providing enhanced customer support, improving customer service, and providing operational flexibility. The \$104.2 million for fiscal year 2024, \$31.7 million more than the fiscal year 2023 appropriation, is primarily to support 12 or more months of operations and maintenance. This is required since the fiscal year 2023 straight-lined appropriation is covering less than 12 months. The fiscal year 2024 request also includes planned development activities for expanded telecom and data capacity, recomplete efforts, and Authorizations to Operate (ATOs) for systems.

Next Gen Digital and Customer Care (DCC): \$89.6 million

DCC launched in 2019 as FSA's digital front door for students, parents, and borrowers. DCC allows these customers to interact with FSA through their preferred communication channel including web, phone, chat, virtual assistant, email, text, or social media. It includes FSA's single 1-800 number for reaching the FSAIC, the digital platform consisting of StudentAid.gov, the customer care platform for the BPO contact centers, the marketing and communications platform for email and text messaging, and the Aidan Virtual Assistant. DCC provides modern tools to ensure students, parents and borrowers see FSA as a trusted and reliable resource in managing Federal student aid. DCC will continue to provide operational support and make necessary enhancements to existing capabilities as part of its continuous improvement plan. Those continuous improvements will allow for more automated processes, which will reduce the need for manual activities including faxing and mailing documents, all of which results in a more efficient delivery of services to customers.

Customers first interact with FSA when they create an FSA ID and complete their FAFSA on StudentAid.gov. They continue to use StudentAid.gov to complete other important steps in the aid process, such as completing student loan entrance and exit counseling and signing a master promissory note. However, once repayment starts, borrowers interact directly with one of FSA's many loan servicers and receive fewer communications directly from FSA. This can create a disjointed, inconsistent, and confusing borrower experience, where borrowers are less likely to access and benefit from the tools and services provided on FSA's website, such as the IDR Application and Loan Simulator.

During fiscal years 2022 and 2023, DCC developed increased repayment-related self-service functionality on StudentAid.gov, including an e-sign and submit solution for the PSLF Form and the development of tools for borrowers to manage their TEACH Grants and Total and Permanent Disability (TPD) discharge applications. In fiscal year 2024, FSA will continue work on developing additional repayment and account management functionality on StudentAid.gov, which will ultimately become the single portal for all federally managed borrowers to repay their loans. Additionally, the DCC solution will be leveraged to build out and transition specialty servicing programs away from loan servicers and to the BPO providers by fiscal year 2024.

The fiscal year 2024 request is \$89.6 million. This is \$47.2 million more than the fiscal year 2023 appropriation and is primarily to support 12 or more months of operations and

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maintenance. This is required since the fiscal year 2023 straight-lined appropriation is covering less than 12 months. The fiscal year 2024 request also includes development needed to support FSA customers with the ability to contact FSA to learn about their loan options, gather their loan/grant information into a single source, and determine the best repayment plan for their particular circumstances. This will include continued enhancement of the digital platform (i.e., Studentaid.gov), the Aidan Virtual Assistant, and the customer care platform (e.g. 1-800-4-FEDAID, CRM, workflows, et cetera) among other back-end integrations.

Experimental Sites Initiative (ESI): \$1.1 million

The Experimental Sites Initiative is authorized under section 487A(b) of the Higher Education Act of 1965, as amended, and allows the Department to test the effectiveness of new policy approaches by waiving specific statutory or regulatory requirements at the postsecondary institutions, or consortia of institutions, approved to participate in the experiments. By contrasting the results achieved with the flexibilities to the results under current regulations, the Department can obtain data to support changes to regulations and statute. To implement an experiment, FSA makes changes to its procedures and systems, collects survey data and student-level data on participants in the experiment, and, in collaboration with the Institute of Education Sciences, performs analysis of the outcomes of students and institutions that participated in the experiment. The fiscal year 2024 request of \$1.1 million is \$1.1 million more than the fiscal year 2023 appropriation. The requested funds will support the improvement of FSA's data collection tools for experiments under the ESI, ongoing system maintenance and operations for new and current experiments, and evaluation of ongoing experiments and experiments where institutional participation has concluded. These improvements are consistent with FSA's adoption, in partnership with the Institute of Education Sciences and the Office of the Undersecretary, of joint principles for designing, implementing, and evaluating experiments under the Experimental Sites Initiative. The following provides more information on each principle.

Developing Experiments. It is critical that, in developing experiments, the Department establish a research plan upfront to ensure it aligns with the design of the program. For future experiments, the Department will:

- In consultation with Institute of Education Sciences (IES) and FSA, develop a clear set of answerable research questions;
- Work closely with IES, FSA, and the Chief Economist of the Department in determining the appropriate research design and uses of administrative data, including conducting feasibility studies (including of institutional capacity and data availability) in advance and working with other agencies as needed to seek access to additional information;
- Prioritize experiments that:
 - Are intended to affect student outcomes directly, rather than result in a reduction in school administrative burden;
 - Have the potential to generate participation by a relatively large number of schools/students;
 - Produce credible experimental or quasi-experimental evidence on the impact of the experiment; and
 - Can rely primarily on administrative data to answer key impact questions within a reasonable period of time (including initial analyses

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within 3-4 years); and

- Ensure an appropriate research design that is responsive to the research questions as agreed upon as part of the policymaking process, including by OMB, and identify resources to finance that research.

Communicating Around Experiments. It is essential that the Department improve its communication with institutions about the experiments in order to address some of the major challenges we have faced in seeking participation and/or collecting data to support an evaluation. For future experiments, the Department will:

- Establish clear timeframes for the experiment internally, while acknowledging that experiments may need to be extended to obtain adequate data to fulfill the evaluation plan for the experiment;
- Clearly communicate to institutions prior to beginning participation in the experiment both the minimum and approximate maximum timeframe of the experiment and the commitments to data reporting and research that institutions must make in order to participate; and
- Communicate to institutions that they may be removed from participation in the experiment if they fail to comply adequately with reporting requirements.

Implementing Experiments. The work to ensure policymakers can learn from the outcomes of these experiments cannot end with the announcement of its initiation. For future experiments, the Department will:

- Assess for each experiment whether the Department has sufficient staff and financial resources (e.g., at FSA and/or IES) to implement and evaluate an experiment prior to a final decision to initiate the experiment;
- Expand FSA's work to provide technical assistance and quality assurance, including through compliance oversight, to ensure institutions are meeting the obligations of the experiment;
- Publish the biennial implementation reports required by Congress, with coordination among IES, FSA, and OMB to ensure the reports are accurate and useful;
- Utilize surveys, spot-checks, and webinars to ensure consistency in how institutions implement the experiment; and
- From the beginning, develop a framework for ending the experiment. For example, create certain benchmarks to be met, or goals that must be met to continue the experiment. An approximate maximum timeframe should also be developed, understanding experiments may need to be extended to obtain adequate data to fulfill the evaluation plan for the experiment.

Analysis of Experiments. Critically, the Experimental Sites Initiative presents an opportunity to learn about future policy implications from real-world experimentation. These opportunities cannot be ignored. For future experiments, the Department will:

- Utilize all available administrative data needed to answer the research questions for the experiment, including seeking access to other agencies'

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data where needed and/or expanding institutional data collection to support the research design as needed;

- Develop a data-storage plan to facilitate long-term follow-up, as appropriate;
- Produce rigorous evaluations of the effects of any experiment designed to improve student or school outcomes, with the potential for other research designs for experiments intended for other purposes; and
- Provide IES, or other research entities, with the data and relevant documentation necessary to conduct analysis.

Transformation Support Contract: \$1.9 million

The Transformation Support contract provides resources to address technical gaps in the existing workforce for the Next Gen initiatives and SABER. The resources provided support activities such as market research, technical support, and governance requirements. Without this critical support the execution of program releases within FSA would be delayed past critical milestones.

Institution Engagement and Program Compliance

Title IV Origination and Disbursement System (TIVODS): \$102.7 million

Through the TIVODS contract, the COD system will originate and disburse more than \$85 billion in new Direct Loans, excluding Consolidation Loans, to millions of student recipients in fiscal year 2024. COD interfaces with several FSA systems to verify borrower eligibility, enable funding, support loan consolidation and income-based repayment applications, provide borrower counseling, fulfill reporting and financial reconciliation requirements, and provide oversight. The BPO vendors started providing contact center and applicant support services for students in fiscal year 2022, and those services have transitioned out of the TIVODS contract resulting in decreased system costs.

The fiscal year 2024 request of \$102.7 million is needed to provide continual operations and maintenance and support development activities for optimal system performance through January 2025, which is when the current contract expires. This is an increase of \$30.3 million from the fiscal year 2023 appropriation, because fiscal year 2024 provides funding for the remaining period of performance and additional funding is needed for the upcoming contract recomplete.

Enforcement: \$26.5 million

FSA established an independent Office of Enforcement (Enforcement) in 2021 to bolster its capabilities to oversee schools that pose the greatest risk to students and taxpayers. Enforcement provides FSA with specialized resources dedicated to proactively uncovering school misconduct or high-risk conduct that otherwise may go unchecked, causing significant harm to students and resulting in substantial cost to taxpayers. Enforcement's activities include in-depth and targeted investigations of the limited number of schools that engage in serious violations and have been shown to impose outsized costs on borrowers and the Title IV program. Additionally, the Office of Enforcement implements the Borrower Defense to Repayment regulations as well as regulations governing administrative actions and appeals.

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FSA's budget request for Enforcement for fiscal year 2024 primarily focus on funding two of the newer functions in FSA: Investigations and Borrower Defense, as well as the Enforcement front office capabilities, including the development of technology to support a robust risk model that will enable Enforcement to prioritize its work where it will have the greatest impact.

FSA's Office of Partner Participation and Oversight (PPO) engages in compliance oversight of all 5,600 schools that participate in the Department of Education's Federal Student Aid programs. The Office of Enforcement is focused on the types of violations that would not necessarily be detected through the Department's standard oversight processes or annual compliance audit requirements. For example, certain institutions have been found to have systemically provided prospective students with materially false information to induce their enrollment and attendance. In those cases, students have been left worse off than if they had never enrolled at that institution, and scarce federal resources were misused.

These types of program violations can be extraordinarily costly to students and taxpayers. However, they would not necessarily be detected through the Department's standard oversight processes or annual compliance audit requirements, which are focused on compliance with various program requirements such as mandatory reporting, program and student eligibility, disbursement requirements, and student refunds. Recent history includes examples of instances where law enforcement agencies uncovered misconduct not detected through FSA's typical oversight processes. For example, enforcement officials at the Consumer Financial Protection Bureau (CFPB) and multiple states' attorneys general found that Corinthian Colleges misrepresented job placement rates, the employment prospects of graduates, and made other substantial misrepresentations to prospective students while the for-profit chain-maintained eligibility for the Title IV program. The fraud uncovered by enforcement investigations ultimately resulted in closure of the school, and imposed staggering costs and burdens on students, the Title IV program, and taxpayers. On June 1, 2022, the Department announced \$5.8 billion in loan discharges for 560,000 borrowers who attended any campus of a school owned by Corinthian Colleges, Inc. The Office of Enforcement will be focused on early identification of such misconduct to minimize both the number of borrowers harmed and the cost to taxpayers. In addition, the Office of Enforcement will seek to hold schools accountable for such discharges where appropriate.

The Office of Enforcement is also in the process of developing a risk model aimed at identifying schools and service providers potentially engaged in misconduct that could impose significant cost on students and taxpayers. The risk model will consider data, such as the number of student complaints against a school, completion rates, sharp increases or decreases in enrollment, and default rates, in addition to other factors, such as relevant investigations by other regulators and whistleblower tips and leads. Utilizing a risk model to prioritize work will enable the Office of Enforcement to focus its resources on a limited number of schools deemed to pose the highest risk. This would include, where warranted, the initiation of investigations and enforcement actions, which could include fines, limitation actions, or termination from the Title IV program.

Funding needed to support the Office of Enforcement is modest relative to the size of the program, and to other Federal regulators who oversee significant markets and programs. The fiscal year 2024 request will enable FSA to identify red flags indicating potential misconduct; apply a risk-based approach to prioritizing investigations and administrative actions; support the

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timely adjudication of borrower defense claims; and signal to Title IV participants that substantial misrepresentations and other regulatory violations that harm students and the program will not be tolerated.

To accomplish the intended goals of the Office of Enforcement, the Administration requests \$26.5 million specifically for the Interagency Agreements and Staff Support for Borrower Defense, Borrower Defense technology needs, and Enforcement Operations. This is an increase of \$7.1 million over FY 2023 levels which supports the additional adjudication staffing outlined below. The increase reflects the resources need to meet the terms of the *Sweet* settlement (described below) and the resource needs identified as the Enforcement Office staffs up and identifies the technology and other resources needed for its risk model and investigatory activities.

1. Borrower Defense Adjudication Staff: \$21.0 million

The \$21.0 million would provide the additional staffing the Department needs in fiscal year 2024 to address the approximately 355,000 borrower defense (BD) claims that are currently pending before the Department, which ED must adjudicate according to various federal court orders. This staffing need originated with the sharp increase in BD claims that began in 2015 and has persisted and increased since then. During that time, the Department has faced numerous lawsuits alleging that the Department's failure to timely process borrower defense claims violates federal law, which have led to court-ordered discharges of some claimants' loans and a court-approved settlement agreement in the class action lawsuit *Sweet v. Cardona* (formerly *Sweet v. DeVos*). The *Sweet* settlement requires the Department to adjudicate approximately 250,000 claims by January 2026. Both the *Sweet* settlement and new BD regulations that were promulgated to minimize the risk of further delay-related litigation include deadlines for adjudicating claims, with claims that are not resolved by the relevant deadline being automatically discharged. The \$21.0 million request for fiscal year 2024 represents the Department's estimate of the additional staffing needed to provide decisions on all claims before the relevant deadlines, assuming this additional funding is sustained in future years as well. While significant, \$21.0 million in administrative costs is a very small fraction of the billions of dollars of loans associated with these pending claims. The Office of Enforcement's other staffing needs are captured in FSA's overall request for personnel.

2. Borrower Defense Technology Infrastructure (BD): \$3.3 million

These funds support the development and operation of systems needed to adjudicate borrower defense applications. These include required updates to and maintenance of an adjudication platform that will enable FSA to adhere to the 2023 borrower defense regulations and the adjudication processes governed by the *Sweet* settlement. It also includes funding to automate the process of notifying schools of borrower defense claims asserted by their students, a process that until now has been manual. The fiscal year 2024 request of \$3.3 million will provide ongoing operations and maintenance and

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development work to improve current manual processes, increase tracking and customer usability information, ensure that schools are notified of claims and have an opportunity to respond, and support the Department's efforts to provide timely and consistent adjudication decisions to borrowers.

3. Enforcement Operations: \$2.2 million

The Enforcement Operations initiative supports the development of technology and information systems needed by the Office of Enforcement. Currently, Enforcement information management is comprised of Excel spreadsheets, SharePoint folders, and siloed information in disparate systems used by Enforcement business units. The Office of Enforcement does not have a centralized database or the ability to look up a school to determine which, if any, of the Enforcement business units may have ongoing or previous work relating to a school. The fiscal year 2024 request will support development of a system to track Enforcement matters; to compile and maintain data and documents relating to internal and external investigations and actions relating to schools; and to track information, data, and metrics that will be utilized in a robust risk model. The request includes resources for a case management and workflow system for Investigations, improved professional tools for monitoring complaints, and systems for fact-finding and evidence management for borrower defense. Additionally, the fiscal year 2024 request supports access and continual operations and maintenance of the Department of Justice's e-Discovery system, which Enforcement uses to review, analyze and organize large document productions relating to investigations and borrower defense claims. The Enforcement Operations initiative supports the organization's ability to use a risk-based approach to prioritizing work by focusing on schools that create the highest risk to borrowers and taxpayers. Lastly, the system will contain performance data and dashboards to support strategic planning by Enforcement managers and supervisors as well as reporting capabilities that currently must be compiled manually.

Next Gen Partner Participation and Oversight (PPO) initiative: \$25.3 million

FSA is transforming the experience for schools and financial aid offices through the implementation of the Next Gen PPO Initiative, or FSA Partner Connect. The current landscape requires schools to interact with multiple systems to determine student eligibility for aid, process awards, and report and reconcile funding information. Many of the processes are heavily manual or are dependent on outdated, vulnerable systems.

In early 2021, FSA launched FSA Partner Connect—a new, digital portal that serves as the foundational platform for FSA partners—at fsapartners.ed.gov. The FSA Partner Connect Release 1.0 features the Knowledge Center, which replaced the Information for Financial Aid Professionals website. The redesigned site offers a new look and feel, streamlined information, and improved search capabilities. The Knowledge Center also includes the Federal Student Aid Handbook presented in a more searchable and user-friendly format that will help schools quickly access information on how to effectively administer Federal student aid, which in turn will substantially improve students' and borrowers' experiences. In addition to the above completion

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of Release 1.0, Release 2.0, scheduled for fiscal year 2023, is focused on an extensive redesign of the Application for Approval to Participate in the Federal Student Financial Assistance Programs (E-App), which schools use to apply to participate in Title IV programs, and the re-engineering of the Postsecondary Education Participants System (PEPS), one of FSA's oldest and most technically vulnerable systems.

The Next Gen PPO initiative also includes additional implementation plans that would integrate the remaining partner-facing sites into FSA Partner Connect. Release 3.0 integrates the FSA Conference site (fsaconferences.ed.gov) used for the annual FSA Training Conference and the SAIG Enrollment site (fsawebenroll.ed.gov), which allows schools and partners to enroll and manage data access as well as securely exchange data with FSA systems. These efforts will result in the retirement of six individual FSA partner-facing sites.

When complete, Partner Connect will serve as the single-entry point for the various Title IV business functions for school and partners and introduce proactive analytical capabilities to target oversight resources on high-risk schools. This, in conjunction with a plan to centralize and consolidate partner customer service, will create an opportunity for FSA to further streamline aid delivery and oversight processes.

The additional benefits of this investment include improving the partner experience through streamlined processes and automation, improving management and oversight capabilities, and enhancing FSA's ability to respond to legislative changes.

The fiscal year 2024 request is \$25.3 million, \$11.6 million more than the fiscal year 2023 appropriation in order to support 12 or more months of operations and maintenance. This is required since the fiscal year 2023 straight-lined appropriation will support less than 12 months of operations. The fiscal year 2024 requested increase also includes funding for planned development for Partner Connect Release 3.0.

eZ-Audit: \$3.0 million

eZ-Audit is a web-based application for submission of financial statements and compliance audits from institutions that participate in the Title IV program, which allows FSA to enhance program integrity and improve oversight. The fiscal year 2024 request is \$3.0 million, \$1.3 million more than the fiscal year 2023 appropriation, which will provide ongoing operations and maintenance and the necessary support for development work.

Conference Management: \$2.4 million

In support of FSA's mission to administer the Title IV student aid programs, FSA hosts an annual training program for schools participating in Title IV programs. Given the growth and size of the Federal student aid programs and recent changes in student aid policies, programs, and procedures, this training conference is critical to support schools participating in these programs to properly manage taxpayer resources. This training is part of FSA's school oversight responsibility and increases the integrity of the Federal student aid programs while ensuring appropriate stewardship of taxpayer resources.

Conference Management provides support for the annual FSA Conference and FSA's participation in the national financial aid related conferences (e.g., National Association of

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Student Financial Aid Administrators). Depending upon the training delivery method, FSA trains between 6,500 and 16,000 financial aid professionals and disseminates information about Title IV programs through these forums. The conferences were held virtually from fiscal years 2021-2023 due to the COVID-19 pandemic and limited funds.

Data Management

National Student Loan Data System (NSLDS): \$25.0 million

NSLDS fulfills a Congressional mandate from the Higher Education Act of 1992 (HEA) and is the hub for student, borrower, and partner data reporting. It maintains student-level data for the full student aid lifecycle and provides the core data for most FSA systems. The main function of NSLDS is providing administrative data on the provision of Title IV aid and providing the electronic data exchange between program participants and the system.

Through the Next Gen FSA initiative, NSLDS was transformed into to a modern, more secure, and flexible platform and is a major enabling factor in the ability to deliver an enhanced customer experience. The re-platformed NSLDS, which launched in fiscal year 2022, continues to meet the requirements of the HEA as amended but uses modern technology that better integrates infrastructure and data systems. NSLDS also supports the collection and dissemination of data related to TEACH Grants, TPD, PSLF, and TEPSLF, allowing FSA to transition these activities away from the servicers as part of USDS. This will allow the organization's data system to scale more efficiently. The fiscal year 2024 request of \$25.0 million is \$12.7 million more than the fiscal year 2023 appropriation. The increase in fiscal year 2024 will support 12 or more months of operations and maintenance since the fiscal year 2023 straight-lined appropriation is covering less than 12 months of operations

Enterprise Data Management and Analytics Platform Services (EDMAPS): \$13.9 million

Through the Next Gen FSA initiative, EDMAPS has been developed and is now operated per the FSA Data Strategy Plan. The FSA Data Strategy Plan established the FSA Data Governance Board and subsequent guidelines regarding FSA's data architecture. These guidelines help to assure that the EDMAPS guiding principles align with the Department of Education and the Federal Data Strategy plans, while also providing the flexible data architecture, which allows FSA to respond to policy changes and maintain consistency with priorities expressed in the President's Management Agenda, Presidential Memorandum on Scientific Integrity and Evidence-Based Policymaking, the Evidence Act, and the Federal Data Strategy, M-22-09: Federal Zero Trust Strategy.

Additionally, it assists in advancing the implementation of Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government and Executive Order 14028, Improving the Nation's Cybersecurity.

This flexibility in the data architecture provides FSA the tools necessary to respond to data requests more efficiently and accurately in support of Federal data initiatives. It also allows FSA to collect more data than it has in the past, providing additional insights into FSA programs and making data available to support measures of equity for demographic subgroups, improved oversight of FSA vendors, and a global view of FSA operations.

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EDMAPS provides a unified data platform and common data environment for FSA to improve accuracy and consistency of aid lifecycle data through real-time data access while leveraging advanced cybersecurity measures to reduce the risk associated with managing PII. Currently, some of FSA's data infrastructure is fragmented, with information spread in standalone systems that are tethered together in a patchwork fashion. EDMAPS brings together the data from some of FSA's largest data platforms, including the NSLDS; FAFSA Processing System (FPS); Enterprise Data Warehouse and Analytics (EDWA); DCC; loan servicers; and processing systems. FSA has also created new capabilities within EDMAPS to manage and reconcile data including a Data Lake and Master Data Management. Data from the student aid lifecycle is received, loaded, curated, and archived in the Data Repository with the Master Data Management establishing a master copy of key data entities after reconciling and resolving interface discrepancies among various databases.

As part of USDS and beginning in fiscal year 2024 FSA will develop a comprehensive data model that will receive more data from the student loan servicers. This includes identifying the necessary data elements to support full repayment functionality on StudentAid.gov, faster and less disruptive loan transfers, and improved monitoring of portfolio performance. During fiscal year 2024, FSA will identify necessary data elements, construct a preliminary data model, and collaborate with the USDS servicers to refine this data model.

The fiscal year 2024 request of \$13.9 million, \$8.5 million more than the fiscal year 2023 appropriation, will primarily support 12 or more months of operations and maintenance. This is required since the fiscal year 2023 straight-lined appropriation provided funding for less than 12 months of operations. The fiscal year 2024 request is also necessary to support new products, services, and additional capacity to cover annual growth of data and services.

EDWA: \$11.5 million

EDWA is FSA's enterprise data warehouse that includes multiple toolsets and an analytics platform with data including the full Title IV lifecycle spanning over 18 years. EDWA leverages analytics and reporting efforts to meet the increased data requests of internal and external customers. It provides the enterprise accurate, timely, and repeatable information while also allowing for data-driven decision making. As a component of EDMAPS, EDWA is being integrated with the Next Gen Master Data Management and Data Lake (both of which are existing components in EDMAPS). This will provide more timely and robust data for analytics and reporting purposes. EDWA is also a part of the data infrastructure within EDMAPS that supports Federal initiatives consistent with those described in the EDMAPS section.

EDWA has been leveraged in daily operations to help borrowers achieve better outcomes through outreach to borrowers at risk of default and those who are at risk of being defrauded.

The fiscal year 2024 request of \$11.5 million, \$7.4 million more than the fiscal year 2023 appropriation, will primarily support 12 or more months of operations and maintenance that is required since the fiscal year 2023 straight-lined appropriation from fiscal year 2022 is covering less than 12 months. This includes operations and maintenance of the warehouse and BI/analytical tool environments. Each year, operations and maintenance for the data warehouse increases as FSA houses new datasets and toolsets and operationalizes more models and data products. The additional funding will also support delayed development activities now planned in fiscal year 2024, including data augmentation and development work with expanded servicer

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data feeds in support of the planned new USDS servicing contract, implementing a fraud model between EDWA and the FPS, and building and operationalizing a new statistical model to lead to improved customer outcomes.

Financial Management System (FMS): \$7.3 million

FMS consolidates and manages all financial transactions from other FSA systems; facilitates reconciliation and internal program management and reporting; and tracks and manages payment processing for Federal Direct Loan originations and Pell Grant awards. FMS enables the continuation of all FSA grant, loan, and loan guaranty activity and supports the mission of delivering aid under Title IV programs. The fiscal year 2024 request of \$7.3 million, the same as the fiscal year 2023 appropriation, supports the operations and maintenance of FMS.

Personnel Compensation and Benefits (PC&B), Overhead and Other Non-FSA Activities: \$471.5 million

PC&B: \$325.5 million

The Administration's request for SAA in fiscal year 2024 includes \$325.5 million in PC&B to support a total of 1,593 FTE. This includes 1,428 FTE for FSA and 165 FTE outside FSA who perform student-aid related activities but are located in the Office of Finance and Operations, the Office of Chief Information Officer, Office of the General Counsel, Office of Postsecondary Education, Office of the Under Secretary, and the Office of Planning, Evaluation and Policy Development. The \$22.4 million increase in fiscal year 2024 supports an increase of 43 FTE above the 2023 appropriation. Of this increase, 33 additional FTE are being requested for FSA in fiscal year 2024 to primarily support increased oversight and enforcement, including work generated from Borrower Defense applications. An additional 4 FTE are being requested in OPEPD to bolster the Department's student loan modeling efforts. The remainder of the FTE increase will largely be used to perform accreditation work and help respond to an increasing volume of FOIA requests. The increase also supports a 5.2 percent pay raise, projected benefits increases, awards, and overtime.

Overhead and Other Non-FSA Activities: \$146.0 million

The SAA account also provides funding to non-FSA offices to support FSA's mission and the management of the student aid programs. It includes funds for departmental support activities, such as central computer services and financial management system operations, rent, and other overhead. It also includes activities carried out in other offices, such as the annual financial audit of FSA, negotiated rulemaking, and budgetary cost estimation.

The total request in fiscal year 2024 for these activities is \$146.0 million, \$47.5 million above the 2023 appropriation, primarily for increases in enterprise cybersecurity.

Rent: \$14.0 million

Rent payments to the General Services Administration for FSA-occupied space will total \$14.0 million for fiscal year 2024, \$5.2 million less than the 2023 appropriation. The Department has been engaged in a multi-year effort to reduce space, including consolidating FSA space in the

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Union Center Plaza building into the Lyndon Baines Johnson Headquarters Building (LBJ).

Centralized Information Technology: \$62.4 million

Combined funding for central computer services and telecommunications will total \$62.4 million in fiscal year 2024, \$22.7 million more than the fiscal year 2023 appropriation. This increase is primarily for enterprise cybersecurity programs.

Centralized Support: \$69.4 million

Other non-pay central support services, including background investigations, guard services, security, and departmental training and development courses, will total \$69.4 million in fiscal year 2024, \$1.3 million more than the fiscal year 2023 appropriation.

Student Loan Modeling Investment: \$2.4 million

One key activity managed by the Office of Planning, Evaluation and Policy Development is Student Loan Modeling. As mentioned previously, the Administration is requesting 4 additional FTE to help bolster this function. In addition, the fiscal year 2024 Request includes \$2.4 million in non-pay funding, a \$0.6 million increase from the FY 2023 appropriation. The Student Loan Modeling investment provides support for developing cost estimates and budgetary impacts of student loan policies affecting the \$1.6 trillion current portfolio. Given the magnitude of the portfolio, improving the accuracy of the cost estimates of the student loan programs is vitally important. The Department's financial reporting, informed policy making, and effective monitoring of Government borrowing by Treasury all rely on accurate cost estimates. This investment is critical for the projection of future cost estimates and will support 1) continued development of a borrower-based microsimulation student loan cost model, 2) validation support for credit models and 3) ongoing support of the current student loan model. Student Loan Modeling is comprised of the following:

Microsimulation Model Development

In order to estimate student loan costs more accurately, provide more detailed analysis of program effects, and better inform student loan policy, this investment aims to develop and implement a borrower-based microsimulation model. This model will consist of multiple components, most significantly the Servicer Emulator, which will process borrower and loan events to calculate cash flows, and the Event Generator, which will simulate borrower and loan events. Full development of this model is expected to be highly complex and rely on a combination of Department, interagency and vendor support. The Department expects the microsimulation model to be fully operational in fiscal year 2025 for the FY2027 Budget.

- **Servicer Emulator:** The Department currently has an interagency agreement with the Department of Treasury to develop a borrower-based (i.e., microsimulation) cash flow model, otherwise known as the Servicer Emulator. The Servicer Emulator portion of the model replicates the events and actions that occur during the life of a loan. The fiscal year 2024 request of \$595,000 will be used to fund the agreement to continue development of the model.

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- **Event Generator:** In fiscal year 2020, the Department awarded a contract for the Microsimulation Event Generator. The design phase of this project was completed in fiscal year 2022. The implementation phase has commenced and is funded through fiscal year 2024 with \$2,936,880 obligated in FY 2022. The contractor has reviewed the existing student loan model and assumptions, started evaluating potential data sources and has developed the initial designs for the Event Generator's loan modules.

The design feasibility report was finalized in FY 2022, and a final design report was submitted with some updates in early FY 2023 in response to external review, Department comments, and data availability. The fiscal year 2024 request of \$462,423 funds training and technical support for the event generator microsimulation model development.

Model Validation

The Department engages with an independent vendor to provide validation of its student loan models. Vendor support has been used to review modeling methodology changes to the collections assumption; PSLF modeling; and the Death, Disability, and Bankruptcy assumption, and review updates to the IDR model. The specific credit models validated are determined on a priority basis using an assessment of model risk. Planned work for fiscal year 2024 continues review of the IDR model and the microsimulation servicer emulator, and additional assumptions based on updates made in fiscal year 2022. The fiscal year 2024 request is \$540,750.

Technical Support

The Student Loan Modeling investment request for fiscal year 2024 also, includes \$658,756 for continued support of the current student loan cash flow model, server maintenance and upgrades necessary to house the models, accompanying data and IT administrative support.

Credit Reform Support and Analysis

The Department has additionally engaged contractor support to address credit reform analysis and documentation needs, particularly those related to financial and budget reporting. Various tasks include generating audit documentation, developing a comprehensive catalog of data elements, preparing analyses of model output, providing expert analysis of various credit reform, and financial reporting issues related to the student loan models. The fiscal year 2024 request for Credit Reform Support and Analysis is \$406,000.

Other Non-FSA Activities: \$11.8 million

Other non-FSA activities, including negotiated rulemaking, College Scorecard support, centralized financial reporting support, and data collection, will total \$11.8 million in fiscal year 2024, \$500,000 more than the fiscal year 2023 appropriation.

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PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information including strategic goals, objectives, measures performance targets and data and an assessment of the progress made toward achieving program results. At the beginning of fiscal year 2023, FSA released the FY 2023–2027 Strategic Plan, which describes the organization’s new goals and objectives. The FY 2023-2027 Strategic Plan will serve as the basis for FY 2023-2024 performance metrics and targets.

The fiscal year 2022 data will close out the FY 2020-2024 Strategic Plan.

Strategic Goal 1: Empower a High-Performing Organization

For FSA to continue to excel as a high-performing organization and meet the challenges of the current environment, it must invest in the knowledge, skills, and abilities of its employees. To meet the expectations outlined in the FY 2020-2024 Strategic Plan, it is essential that staff are trained, aligned, and equipped to provide best-in-class customer service while fulfilling the fiduciary responsibilities of the organization.

Strategic Objective 1.1: Improve employee engagement and workplace inclusion to develop and retain talent, improve employee satisfaction, and engage in effective succession planning.

Performance Metric 1.1. Improve Federal Employee Viewpoint Survey score: Employee Engagement Index. FSA’s scores will improve the first year and continue to increase 1–2 percent annually.

Metric Definition: OPM FEVS measures employees' perceptions of whether, and to what extent, conditions and characteristics of successful organizations are present in their agencies. The Engagement Index assesses the critical conditions conducive for employee engagement (e.g., effective leadership, work which provides meaning to employees, etc.). It is made up of three subfactors: Leaders Lead, Supervisors, and Intrinsic Work Experience.

Year	Target	Actual
2018	67.7–72.7	62.0
2019	61.0–63.0	61.0
2020	62.0–63.0	70.0
2021	71–72	74.0
2022	75-76	73.0

Note: This metric will be replaced with 4.3.A. Federal Employee Viewpoint Survey: Employee Engagement Index from the FY 2023-2027 Strategic Plan.

Additional Information:

FSA did not meet its FEVS target with the Employee Engagement Index (EEI) result of 73%. Its decline can be attributed to a decline in two of three subfactors - Leaders Lead and Intrinsic Work Experience. Leaders Lead score dropped to 61% from 62% and the

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Intrinsic Work Experience score dropped from 76% to 75%. The third subfactor, Supervisors remained constant at 84% in fiscal year 2022.

As a large organization with multiple high priority initiatives, staff workload can impact employee engagement and morale. FSA plans to conduct pulse surveys and focus groups to supplement data from FEVS, which is an annual measurement tool. Additional data can help detect shifts in morale or engagement prior to the annual survey.

Strategic Goal 2: Provide World-Class Customer Experience to the Students, Parents, and Borrowers We Serve

FSA will modernize its systems and operations to deliver world-class customer and partner experiences. FSA will be able to quickly respond to the ever-changing financial aid environment and consistently be a trusted resource for students and families.

Strategic Objective 2.1: Ensure that all students can easily access information on federal student aid, apply for federal student aid and have information on repayment options.

Performance Metric 2.1.B. Percentage of high school seniors submitting the FAFSA.

Metric Definition: A primary goal of FSA is to encourage FAFSA completion among high school seniors.

Year	Target	Actual
2018	66.4-68.4	67.4
2019	67.0-69.0	65.9
2020	64.0-66.0	63.8
2021	66.25	60.87
2022	60.9	63.0

Note: The target for FY22 was changed to 60.9 in accordance with Department of Education and FSA leadership guidance and is reflected in the ED FY22 Annual Performance Report. This metric will be replaced with 2.2.A. Customer satisfaction survey score associated with completing the Free Application for Federal Student Aid® from the FY23-27 Strategic Plan.

Additional Information:

FSA met its annual target on this metric.

Federal Student Aid continues to support the National College Attainment Network and other organizations that work with college access groups across the country to encourage high school seniors to file a Free Application for Federal Student Aid® (FAFSA®). Though the number of high school seniors filing a FAFSA has increased, the percentage of first-time returning filers has decreased.

In fiscal year 2021, due to the impacts caused by COVID-19, FSA did not meet the goal of having 66.25 percentage of high school seniors file their FAFSA. As a result, the target

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for FY22 was adjusted to reflect projections on continued impacts in the coming years.

Performance Metric 2.1.D: Persistence among first-time filing aid recipients

Metric Definition: This metric helps track performance across one of the desired outcomes of federal student aid and its impact on program completion. By following first-time filing aid recipients—such as college freshmen or non-traditional students, into their second year—it is possible to see whether FSA is making improvements in how applicants are translating the aid that they receive into educational persistence.

Year	Target	Actual
2017	78.7–80.7	82.6
2018	81.6–83.6	82.5
2019	82.0–84.0	82.8
2020	83.0–84.0	81.0
2021	81.0	81.1
2022	81.1	80.0

Note: Formerly 5.1.E in FSA FY 2020 Annual Report. This metric will be sunset in FY22.

Additional Information:

FSA did not meet its target for this metric with a result of 80 percent. COVID-19 pandemic effects, a tight labor market, rising wages, and continued concern over the cost of college and student loan debt are all outweighing efforts by FSA, the Department, and outside organizations to promote persistence and these negatively impacted our ability to meet this metric. This past year, FSA conducted additional email outreach to first-time FAFSA filers who had not returned to file a FAFSA form for the fall of 2022. This outreach was effective and resulted in an increase in returning student FAFSA filing. However, the increase was not enough to allow FSA to reach its goal, likely due to the impact of the external factors listed above.

Note: The FY 2023-2027 Strategic Plan will serve as the basis for fiscal year 2023 performance metrics and targets.

Strategic Objective 2.2: Provide seamless, easy, personalized digital interactions equal with top financial institutions in the delivery of financial aid products and services.

Performance Metric 2.2.E: Recurring campaign email delivery volume for outreach and communications to customers.

Metric Definition: This metric measures the recurring emails that are delivered through the internal communications tool. Recurring campaigns are defined as communications that FSA sends on a consistent cadence that are not tied to immediate transactional interactions and have a yearly precedence, such as the Renewal campaign reminders. This metric helps to gauge the commitment to consistent and proactive communications.

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Year	Target	Actual
2018	N/A	N/A
2019	N/A	N/A
2020	Baseline	32.2 million
2021	33.8 million	41.7 million
2022	41.7 million	49.8 million

Note: Formerly 2.2.F in FSA FY 2020 Annual Report. This metric will be replaced with 2.3.D. Email Campaign Helpfulness from the FY 2023-2027 Strategic Plan.

Additional Information:

FSA met its target for this metric with a result of 49.8 million. Improvements FSA conducted include revamping email templates, improving data integrations between Marketing Communications Platform (MCP) and systems, as well as testing and optimization efforts to continuously improve its email communications for its borrowers. The testing and optimization efforts, and revamped template designs, have led to notable improvements to FSA's engagement such as higher open and click rates. The revamped templates allowed the emails to match the brand and styling of StudentAid.gov and FSA, which enabled more trust and consistency as a trusted source of information. FSA's priority is to continue onboarded communications within the MCP for transactional and recurring campaigns, update data integrations within the MCP to ensure faster data loading and execution, and additional data analysis to evaluate and improve communications based on past performance and industry benchmarks.

Note: The FY 2023-2027 Strategic Plan will serve as the basis for fiscal year 2023 targets; this performance metric appears to be reflected in the plan's Strategic Goal 2, Advance Equity and Access to Student Financial Assistance, under Strategic Objective 2.3. Provide accurate, seamless, easy and customized interactions throughout the student aid lifecycle.

Performance Metric 2.2.G. Customer Satisfaction Survey(s) for StudentAid.gov site and associated tools.

Metric Definition: This metric intends to measure customer satisfaction with the StudentAid.gov website. These customer satisfaction surveys will assist FSA in developing additional tools and offering website improvements based on customer feedback.

Year	Target	Actual
2018	N/A	N/A
2019	N/A	N/A
2020	Survey development and implementation	No survey developed
2021	Survey development and implementation	Developed Survey
2022	Baseline year to establish targets	Baseline

Note: Formerly 2.2.H in FSA FY 2020 Annual Report. This metric will be replaced with 2.3.A StudentAid.gov Digital Satisfaction from the FY 2023-2027 Strategic Plan.

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Additional Information:

FSA met its target of establishing a baseline for this metric. The implementation of a customer feedback management software platform and OMB Circular A-11 compliant surveys were key organizational initiatives that supported this strategic objective in fiscal year 2022. The customer feedback management platform and Circular A-11 surveys were implemented in November 2021. Results are available in real-time and deep dive analyses of survey data are done quarterly for each channel. The platform includes artificial intelligence-driven text analytics that allows FSA to more easily mine feedback for trends and escalate any feedback that warrants action. The procurement of a customer feedback management software platform greatly expands FSA's capacity to both offer surveys across channels, and better analyze structured and unstructured feedback from customers. By putting in this work up-front and dedicating resources to improve it over time, FSA will be automating the analysis of unstructured feedback to get deeper, more relevant insight on customer sentiment, desires, and pain points from their open-ended survey feedback.

Strategic Goal 3: Increase Partner Engagement and Oversight Effectiveness

Strategic Goal 3 is focused on how FSA will assist schools, third-party servicers, and financial institutions to deliver federal student aid, collect borrower payments seamlessly, and safeguard data integrity through oversight and monitoring. FSA will also ensure these institutions understand and comply with Title IV requirements and other relevant laws, policies, and procedures.

Strategic Objective 3.1: Provide effective oversight of FSA's partners utilizing a comprehensive suite of monitoring tools.

Performance Metric 3.1.A. FSA will annually conduct an Institutional Review for its participating partners including schools, third-party servicers, and financial institutions.

Metric Definition: This metric measures the performance of holistic comprehensive compliance reviews of institutions relating to certification actions, deficient audit resolutions, flagged financial statements, program reviews, method of payment actions, and technical assistance. The percentage represents the number of institutions that received a compliance review compared to the total number of participating institutions. Data Source: Postsecondary Education Participants System (PEPS).

Year	Target	Actual
2018	N/A	N/A
2019	N/A	N/A
2020	40.0%	51.0%
2021	60.0%	62.6%
2022	80.0%	80.0%

Note: This metric will be replaced with 3.1.A. Review for participating partners that have been provisionally certified from the FY23-27 Strategic Plan.

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Additional Information:

PPO has successfully and consistently met and exceeded annual target goals for Strategic Objective 3.1.A. As of October 1, 2022, the School Eligibility and Oversight Service Group (SEOSG) completed 4,819 comprehensive compliance reviews for 6,020 Title IV participating partners (80.0%); meeting the annual target goal of 80%. PPO looks forwards to maintaining its record of success in achieving new strategic objectives upon the release of a new five-year performance plan for FY 2023–2027 replacing the current FY 2020–2024 Strategic Plan.

The targets associated with borrower defense were met due to improved collaboration with external partners to support the fact-finding process and a commitment by FSA leadership to establish group findings where possible. Borrower Defense Group's (BDG) workflow is heavily influenced by external factors including litigation, a shifting regulatory framework, and policy implementations. However, the staff continues to adapt to these factors.

In fiscal year 2022, BDG finalized additional findings of fact and conclusions of law and successfully proposed multiple groups of borrowers for group discharge while simultaneously adjudicating individual cases in a timely manner. As a result, FSA was able to adjudicate over 86,000 individual applications since October 1, 2021 — exceeding the goal of 65,000.

Strategic Goal 4: Strengthen Data Protection and Cybersecurity Safeguards

Data protection and cyber security are two of the most important responsibilities FSA has today. Prioritizing the integrity and confidentiality of student and borrower data is a necessary step in the execution of Goal 4 within the FSA strategic plan.

Strategic Objective 4.1: Implement business partner and vendor systems that house, manage, and provide systems supporting FSA business processes, outreach and awareness focused on oversight, enforcement, infrastructure, systems, and data.

Performance Metric 4.1 Increase partner/vendor cybersecurity effectiveness by reducing the total number of FSA system assessment findings by 20 percent per year.

Metric Definition: This metric measures the number of findings discovered during security control assessments, including ongoing security authorization activities, that are indicative of potential cyber security issues leading to a breach of privacy information or the potential compromise of an information system.

Year	Target	Actual
2018	N/A	N/A
2019	N/A	N/A
2020	1,800	3,561
2021	2,800	3,976
2022	2,240	19,252

Note: This metric will be replaced with 5.4.A. Cybersecurity Maturity-Level (OIG Maturity Levels) from the FY 2023-2027 Strategic Plan.

Additional Information:

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The performance measure under this strategic objective is to increase partner/vendor cybersecurity effectiveness by reducing the total number of FSA system assessment findings by 20% per year. The increased number of systems enrolled and participating in the Ongoing Security Authorization program ensured that FSA had a closer to real time view of the maintenance of cybersecurity requirements implemented at the systems. The Ongoing Security Authorization is an assessment program that supports the Authorities to Operate (ATO). Additionally, for new systems being developed, ATOs were being granted for shorter durations and with strict stipulations that must be met to maintain that ATO in the future.

The key challenges facing this objective were to address the barriers to fully implement mitigating strategies and achieve expected targets, including updating contract language, communicating new or evolving cybersecurity laws and federal requirements, and creating more visibility into the real-time security posture of third-party service providers. FSA launched the following initiatives to respond to these challenges:

- New cybersecurity standards and regulatory compliance requirements increased the scope of the threat landscape and the compliance requirements.
- Enrolled third party service providers in the CDM program,
- Added specific cybersecurity requirements language in contracts for all new systems and updated language in contracts for existing systems, and
- Ensured the appropriate number of subject matter experts support the cybersecurity of FSA systems.

All activities are anticipated to be completed by the end of fiscal year 2022 Quarter 2 in accordance with the requirements of Executive Order 14028, Improving the Nation's Cybersecurity. The success of the information systems to manage risk is reflected in the Department's Cybersecurity Risk Framework Scorecard.

Strategic Goal 5: Enhance the Management and Transparency of the Portfolio

Portfolio management and organizational transparency are important initiatives to drive the success of achieving FSA's mission and vision. These efforts require enhanced analytic, risk management, performance management and quality management capabilities to provide better outcomes for students and greater value to taxpayers.

Strategic Objective 5.1: Improve the management and transparency of FSA's student loan portfolio.

Performance Metric 5.1.A. Initiate monthly reporting to the public through the FSA Data Center.

Metric Definition: This metric had a target to pilot self-service module in fiscal year 2022.

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Year	Target	Actual
2018	N/A	N/A
2019	N/A	N/A
2020	Establish number of public reports	56
2021	Standardize reports and pilot self-service module	Standardized reports and pilot completed
2022	Implement self-service module for reports	Target not met

Note: This metric will be replaced by 5.1.A. Data Maturity Assessment from the FY 2023-2027 Strategic Plan.

Additional Information:

FSA did not meet its target to release a self-service module on the FSA Data Center website due to delays in implementing the data visualization software in its warehouse environment.

In 2022, the Enterprise Data Directorate (EDD) within FSA deployed a new data visualization software in its enterprise data warehouse in preparation for launching a more robust self-service module to continue to expand and improve the FSA Data Center in alignment with stakeholder needs. Since the deployment of the visualization software in August 2022, FSA staff has been testing the self-service module and assessing the necessary steps to deploy the module on the website. In addition to continuing ongoing testing, FSA must secure funding for enterprise licensing to deploy the tool on the website.

Despite not meeting the target, FSA has taken steps to train FSA staff to assist with the FSA Data Center reporting to reduce the timeline it takes for creating the monthly and quarterly reports. As a result, subject matter experts within FSA have more time to analyze and understand the impact of data prior to submitting data reports to agency clearance, and results get published on the website more quickly.

FY23-24 Performance Information

Strategic Goal 1: Improve Customer Service and Outcomes for Students and Borrowers

FSA intends to outperform the standard for excellent customer service by transforming our organization, enhancing borrower outcomes, and collectively keeping the promise to improve opportunities for students and families to make informed decisions on financial aid for college and student loan repayment. These improvements will provide a superior customer experience, resulting in positive repayment outcomes and reduced defaults.

Strategic Objective 1.1: Simplify the student loan repayment process to reduce future delinquency and default rates and improve accessibility of loan forgiveness programs.

Performance Metric 1.1.A: Number of borrowers that received loan forgiveness.

Metric Definition: A primary goal of FSA is to encourage FAFSA completion among high school seniors.

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Year	Target	Actual
2023	Baseline	TBD
2024	2% above baseline	TBD

Performance Metric 1.1.C: Percentage of borrowers submitting applications through the PSLF Help Tool.

Metric Definition: This performance metric measures the percentage of borrowers that start and complete the Public Service Loan Forgiveness (PSLF) Help Tool by generating a PSLF form.

Year	Target	Actual
2023	Baseline	TBD
2024	Maintain or increase from prior year	TBD

Strategic Objective 1.2: Enhance the quality of contact center and loan servicing operations, leveraging data to assess progress toward customer service and product delivery standards.

Performance Metric 1.2.A: Percentage of contractor interactions with passing score of 95%.

Metric Definition: The metric measures the percentage of contractor interactions that a reviewed and receive a passing score as defined in their Service Level Agreements.

Year	Target	Actual
2023	≥95%	TBD
2024	≥95%	TBD

Strategic Goal 2: Advance Equity and Access to Student Financial Assistance

Each year, FSA helps millions of Americans achieve their education dreams. Access to student aid is central to FSA’s mission: Funding America’s Future, One Student at a Time. Advancing equity and access to financial assistance options will help eligible students and families gain the benefits of education and training beyond high school.

Strategic Objective 2.2: Simplify the Free Application for Federal Student Aid (FAFSA®) process.

Performance Metric 2.2.A: Customer satisfaction survey score associated with completing the Free Application for Federal Student Aid®.

Metric Definition: This performance metric measures the applicant’s satisfaction with completing the Free Application for Federal Student Aid®.

Year	Target	Actual
2023	8.5%	TBD
2024	Based on previous year	TBD

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Strategic Objective 2.3: Provide accurate, seamless, easy, and customized interactions throughout the student aid lifecycle.

Performance Metric 2.3.A: StudentAid.gov Digital Satisfaction.

Metric Definition: This performance metric measures customers' overall satisfaction with StudentAid.gov.

Year	Target	Actual
2023	Maintain (+/- .25)	TBD
2024	Maintain (+/- .25)	TBD

Performance Metric 2.3.D: Email Campaign Helpfulness.

Metric Definition: This performance metric measures the helpfulness of FSA's email campaigns as rated by customers who receive campaign emails.

Year	Target	Actual
2023	Maintain (+/- .25)	TBD
2024	Maintain (+/- .25)	TBD

Strategic Goal 3: Strengthen Engagement and Accountability for Educational and Financial Institutions

FSA achieves its mission of funding America's future with the assistance of participating educational and financial institutions; without them, FSA would not be able to fulfill its mission. In addition to overseeing compliance with Title IV program laws and program rules, training and technical assistance is provided to schools, third-party servicers, and financial institutions to support their compliance efforts.

Strategic Objective 3.1: Utilize a comprehensive suite of monitoring tools to oversee participating partners.

Performance Metric 3.1.A: Review for participating partners that have been provisionally certified.

Metric Definition: This metric measures the completion rate of holistic comprehensive compliance reviews of provisionally certified institutions.

Year	Target	Actual
2023	Baseline	TBD
2024	60% of participating partners	TBD

Strategic Objective 3.2: Build enforcement capabilities, in coordination with federal and state

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partners to protect students, families, and taxpayers from deceptive, fraudulent, or harmful practices in the student aid marketplace.

Performance Metric 3.2.A: Build and implement an FSA Enforcement Strategy that incorporates a risk model for identifying schools that pose risk to students and taxpayers.

Metric Definition: This performance indicator measures the percentage of individual Borrower Defense applications adjudicated within timeframes stipulated by applicable regulation or court order, or two years when no timeframe exists.

Year	Target	Actual
2023	Maintain (+/- .25)	TBD
2024	Maintain (+/- .25)	TBD

Strategic Goal 4: Increase Workforce Capabilities

In any industry or sector, an organization’s most important asset is its talent. FSA strives to be a model federal employer, creating an environment where individuals maximize their potential and teams collectively move the agency forward. Achieving FSA’s mission requires attracting, developing, and retaining a skilled and agile workforce. The agency remains committed to investing in the knowledge, skills, and abilities of each of its employees. Diversity, equity, inclusion, and accessibility are foundational to this effort.

Strategic Objective 4.1: Promote workplace diversity, equity, inclusion, and accessibility.

Performance Metric 4.1.A: Federal Employee Viewpoint Survey – DEIA Index

Metric Definition: The Federal Employee Viewpoint Survey DEIA Index (formerly New Inclusion Quotient Index) measures inclusive environments. Includes items related to Habits of Inclusion: Empowering, Fair, and Supportive.

Year	Target	Actual
2023	Baseline	TBD
2024	Maintain or increase by 1%	TBD

Strategic Objective 4.3: Foster an organizational culture that promotes a productive, connected, and engaged workforce, particularly in a hybrid workplace environment.

Performance Metric 4.3.A: Federal Employee Viewpoint Survey: Employee Engagement Index

Metric Definition: OPM Federal Employee Viewpoint Survey measures employees' perceptions of whether, and to what extent, conditions and characteristics of successful organizations are present in their agencies. The Employee Engagement Index assesses the critical conditions conducive for employee engagement (e.g., effective leadership, work which provides meaning to employees, etc.) It is made up of three subfactors: Leaders Lead, Supervisors, and Intrinsic Work Experience.

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Year	Target	Actual
2023	Maintain or improve by 1%	TBD
2024	Maintain or improve by 1%	TBD

Strategic Goal 5: Increase Workforce Capabilities

Efficient internal operations are essential to achieving FSA’s mission. As FSA strives to become more customer-centric and outcome-based, the organization will continue to focus on operational and process improvement. By modernizing technology, leveraging data analytics, and tracking organizational performance, FSA can serve as a model for federal management best practices. Boosting operational efficiency requires cross-agency collaboration on data, finances, technology, and acquisitions. Every business unit and employee contribute to operational efficiency, and FSA aspires to fully capitalize on our organizational and individual capabilities.

Strategic Objective 5.1: Strengthen enterprise-wide data analytics and information management to foster a customer-centric, data-driven, performance-based organization.

Performance Metric 5.1.A: Data Maturity Assessment

Metric Definition: This performance indicator measures assessed scores of the 20 key data process areas in the Annual Data Maturity Assessment.

Year	Target	Actual
2023	56	TBD
2024	58	TBD

Strategic Objective 5.4: Improve cybersecurity detection, prevention, and protection ensuring data confidentiality, integrity, and availability.

Performance Metric 5.4.A: Cybersecurity Maturity-Level (OIG Maturity Levels)

Metric Definition: This performance indicator measures the agencies’ progress toward achieving outcomes that strengthen Federal cybersecurity.

Year	Target	Actual
2023	60% at Level 3 or higher	TBD
2024	70% at Level 3 or higher	TBD

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Account Summary Table

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DEPARTMENT OF EDUCATION FISCAL YEAR 2024 PRESIDENT'S BUDGET (in thousands of dollars)

	Cat Code	2022 Appropriation	2023 Appropriation	2024 President's Budget Request	FY 2024 President's Budget Request Compared to FY 2023 Appropriation	
					Amount	Percent
<i>Student Aid Administration (HEA I-D and IV-D, section 458)</i>						
1. Salaries and expenses	D	1,058,943	1,058,943	1,205,412	146,469	13.83%
2. Servicing activities	D	975,000	975,000	1,448,622	473,622	48.58%
Total		2,033,943	2,033,943	2,654,034	620,091	30.49%
NOTES:						
1) D = discretionary program; M = mandatory programs						
2) Detail may not add to totals due to rounding.						