

United States Senate

WASHINGTON, DC 20510

September 10, 2024

Secretary Miguel Cardona
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary Cardona:

In light of continued issues with the rollout of the 2024-25 Free Application for Federal Student Aid (FAFSA), we write to you to request that the Department of Education (ED) delay the institutional reporting deadline for the new Gainful Employment (GE) and Financial Value Transparency (FVT) regulations to July 2025.

On March 29, 2024, the Department announced a two-month extension of the reporting deadline to October 1, 2024. Although this delay was welcomed by stakeholders in the higher education community, it still does not provide institutions – particularly financial aid offices – with sufficient time to comply with an entirely new reporting framework while also working to process financial aid that is critical to ensuring students have the resources they need to enroll in the fall semester.

Since the extension to October 1, the 2024-25 FAFSA rollout has continued to experience significant challenges that have greatly impacted students and postsecondary institutions. Typically, financial aid administrators receive Institutional Student Information Records (ISIRs), which include FAFSA applicant information and are necessary to begin providing students with financial aid offers, shortly after the FAFSA becomes available in October. However, this year, aid administrators did not begin receiving ISIRs until the first half of March, and the Department did not clear its backlog of the final ISIRs until March 29 – the same day it announced the two-month GE/FVT reporting delay. Additionally, once ISIRs began to flow to schools, a number of formula errors were identified that required reprocessing of millions of records, which took place between April and June, further delaying financial aid offices working to provide students with financial aid offers.

The ability for institutions to make corrections to student FAFSAs, a pillar of the aid application and processing cycle, has presented additional challenges this year. Manual corrections launched in early July, rather than at the same time the FAFSA became available as in previous years. Most recently, the Department announced that the batch corrections functionality, which schools rely on to submit corrections quickly and efficiently, will not be available at all for the 2024-25 aid cycle. Based on earlier announcements by ED, financial aid offices expected batch corrections to become available by early August, already 10 months behind schedule. Without the functionality, aid administrators will need to manually submit corrections for each individual

student, a time-consuming process that only adds to their workload during an already compressed timeframe.

Unfortunately, ED's delays and errors throughout the 2024-25 FAFSA cycle have resulted in a situation where many students are still waiting for clarity surrounding financial aid for the fall semester. To this day, financial aid offices across the country, at no fault of their own, are still working to resolve outstanding issues, assemble financial aid packages, and disburse aid to ensure students do not experience enrollment disruptions. During this time, institutions need to devote every available resource to processing financial aid and assisting students in preparing for the upcoming semester, rather than implementing an entirely new reporting framework by October 1.

Beyond the need to devote time and resources towards processing financial aid for the fall semester, there are additional practical constraints that will make it extremely challenging for institutions to complete high-quality reporting. The Department estimates that institutions will take 400 hours to report the GE/FVT data by October 1. The Department did not finalize the reporting requirements or publish a complete GE/FVT user guide to help schools prepare until July. ED also did not make the GE completers lists, which many schools use to test and implement their reporting process, available until early August, despite previously stating that these lists would be made available in mid- to late- July. With completers lists not becoming available until early August, schools will have less than two months between the time they received everything they needed to test and complete the reporting process and the October 1 deadline.

While schools are making every effort to adhere to the reporting deadline while also processing financial aid for the fall semester, they have been left with very minimal time. Institutions take any reporting obligation seriously, and work to submit accurate data to the Department when a reporting requirement is in effect, especially a new one that will be used to inform publicly-available consumer information. While the new GE/FVT requirements are no exception, it is going to be very difficult, if not impossible, for schools to submit high-quality data by the October 1 deadline given the tight timeline and additional issues financial aid offices are facing. What's more, schools can only report accurately if their student information systems (SIS) providers, who have also been impacted by reacting to the 2024-25 FAFSA issues, are prepared with the functionality needed to generate required reports. Some SIS providers are not yet ready for GE/FVT reporting, or won't be ready until very close to the October 1 deadline, adding another hurdle for institutions to meet their reporting obligation.

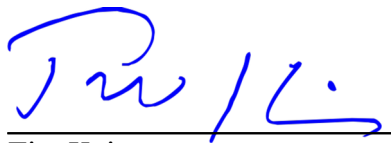
Based on the final rule, the GE/FVT regulations will not be fully implemented until July 1, 2026. Extending the reporting deadline to July 2025 will still give the Department a full year to implement their part of the rule. While the Department has expressed its intent to publish some GE/FVT data in early 2025¹, adhering to this timeline will come at the expense of students across

¹ <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-03-29/timeline-financial-value-transparency-and-gainful-employment-reporting-requirements>

the country, who continue to be impacted by the delays and errors associated with the 2024-25 FAFSA, by diverting time and resources that financial aid offices would otherwise spend supporting students.

We respectfully request that the Department delay the GE/FVT reporting requirements to July 2025. The Department should not rush to meet the October 1 deadline at the expense of financial aid administrators who are doing what they can to guide students through a difficult FAFSA cycle. Now more than ever, aid administrators need to remain focused on helping students apply and receive the aid they need to access their postsecondary education.

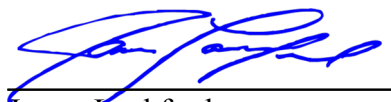
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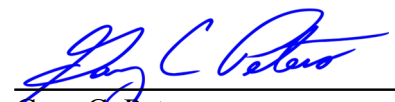
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