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FAFSA Fail: Examining the Impact on Students, Families,  
and Schools

Presented to the  
United States House Committee on Education and the  
Workforce Higher Education and Workforce Development  
Subcommittee

April 10, 2024

Chairman Owens, Ranking Member Wilson, and distinguished members of the Committee:

Thank you for the opportunity to provide testimony for the committee's hearing, *FAFSA Fail: Examining the Impact on Students, Families, and Schools*. I am Justin Draeger, President and CEO of the National Association of Student Financial Aid Administrators (NASFAA). NASFAA's membership consists of more than 29,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. NASFAA member institutions serve nine out of every 10 undergraduates in the United States.

NASFAA's members have long been champions of removing barriers to financial aid. They have been following the rollout of FAFSA simplification efforts closely and are uniquely qualified to inform the committee of ED's decisions and missteps over the past several years that have put us in the position we are in today.

And where are we today?

Already six months delayed, we have a FAFSA that is still not fully functioning, not delivering correct applicant data to schools, and putting the futures of untold numbers of students at risk.

Now, that reality might be hard to ascertain if one were relying solely on press releases or even official guidance from the Department of Education, which are often so full of positive hype and political spin they are sometimes indecipherable.

Department of Education press releases, and even operational guidance, would lead unsophisticated readers to think the FAFSA rolled out in December mostly as planned, with a "few hiccups," and that institutions and states started receiving complete and accurate applicant data by March. The message they convey is "late, but workable." At times the Department has suggested it was schools and states who hadn't fully prepared to process FAFSA applicant data when the Department began "speedily" processing in the spring.

But the facts of the matter speak for themselves, which we clearly lay out in this testimony and in the appended timeline. Before continuing, it is essential to acknowledge the tremendous amount of work that has gone into this rollout by career employees at the Department of Education and other agencies within the federal government. Nothing in my remarks is meant to denigrate or minimize the real effort of

dedicated staff whom we have observed putting in unsustainable hours, sometimes to the detriment of their own health and wellbeing.

Unfortunately, the facts of where we are today compel us to point out that the Department has repeatedly failed at living up to the spirit of what lawmakers, advocates, researchers, and even those at the Department of Education itself had hoped to achieve in this rollout. These errors — and the related attempts to create political cover — have broken trust with our member institutions and created a crisis of credibility for the Department.

To start, while the Department technically released the FAFSA by the January 1 statutory deadline, it was so unstable that it was accessible for only a few hours a day for the first week it was open. Most applicants were stuck in waiting rooms, and many were unable to submit the form even if they were lucky enough to get into it. From there, things worsened once the form became more widely available and students encountered a litany of technical bugs the Department should have resolved pre-release.

Many of the victories the Department has celebrated this year would be considered the ordinary course of business in any other year; not newsworthy events. Other accomplishments touted by the Department simply represent fixing errors of their own creation.

We have reached a point where, more than six months after the FAFSA should have been released, the Department appears pleased to report its efforts to date have resulted in schools being able to make accurate financial aid offers to 80% of students who have filed a FAFSA<sup>1</sup>.

But even that estimate is misleading because the Department is counting only those unaffected by a recently discovered IRS income data exchange error. In fact, another 20% of applications are in a rejected status with no Student Aid Index calculated due to various factors that, as of today, cannot be resolved by students or institutions. To be clear, 2 out of every 5 Institutional Student Information Records (ISIRs) received by financial aid offices today cannot be used to make an accurate financial aid decision<sup>2</sup>.

These statistics are sobering, but we do not yet believe that all hope is lost.

The higher education community — in partnership with the Department of Education and Congress — helped keep millions of students enrolled in postsecondary education

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<sup>1</sup>[\(GENERAL-24-29\) Update on Tax Data Received from the FA-DDX and Manually Entered Information](#)

<sup>2</sup>[FAFSA Whiplash: Education Dept.'s Latest Move Reveals the Tension Between Two Competing Forces](#)

through the COVID-19 pandemic, and we'll get through this crisis, too. But the Department's overtly political spin on the very real issues impacting students and schools is a disservice to the individuals who are experiencing those impacts. Moreover, such obfuscation sows distrust throughout the postsecondary education community with which the Department needs to partner.

In the following pages, we detail how the poorly planned and executed implementation of the FAFSA Simplification Act has limited access to federal student aid and, by extension, access to postsecondary education, in direct contrast to the legislation's explicit goals. The following is not an exhaustive list, but we hope the examples we share provide the committee with an overall sense of the scope and impacts of this seriously flawed implementation.

### *Background: Why Simplification?*

While the suite of federal student aid programs we know today have their basis in the Higher Education Act of 1965, the FAFSA — a single application for students to apply for the federal student postsecondary financial assistance programs — came out of reauthorizing that legislation in 1992. In this first step toward simplification, the FAFSA replaced a patchwork of private forms institutions previously relied on to collect applicant data to determine eligibility for federal assistance like Pell Grants, as well as for many state, institutional, and private aid programs. The same legislation created the federal methodology (FM) formula.

The ensuing three decades saw several improvements to the application and adjustments to the FM formula. The most significant of those changes include the introduction of the online FAFSA, the Internal Revenue Service (IRS) Data Retrieval Tool, and the transition to prior-prior year tax data, which allowed for the FAFSA to open earlier than ever before, in October as opposed to January.

It wasn't until 2020, however, that the FAFSA and the FM formula truly saw the most transformative change since 1992, with the Consolidated Appropriations Act of 2021, which included the bipartisan FAFSA Simplification Act. Leveraging IRS data-sharing authority from the FUTURE Act of 2019, the FAFSA Simplification Act brought with it the possibility of a shorter, simpler FAFSA; greater accuracy and program integrity; and a more transparent and predictable way for families to anticipate and understand their eligibility for federal student aid.

From its creation, the FAFSA has garnered criticism from applicants and the public at large. Lengthy, complex, intimidating, and frustrating, the FAFSA was an annual rite of

passage for college students and their families — digging up Social Security cards, driver’s licenses, tax returns, and bank statements, and then slogging through more than 100 questions to apply for financial assistance for college.

Mistakes were common, requiring a subsequent and equally tedious process called verification. Lower-income and minoritized students were more likely to report difficulty completing the FAFSA and less likely to complete the form than their wealthier and white peers<sup>3</sup>, keeping them from attending college and achieving the benefits of postsecondary education because they didn’t have the resources to pay for it.

For these reasons, simplifying the FAFSA became a necessary step toward equitable access to postsecondary education. The FM formula changes, including a more straightforward process for determining Pell Grant eligibility and the expansion of eligibility for all types of aid, have the potential to put a college education within reach of millions more Americans every year.

Simplifying the FAFSA was anything but simple, operationally speaking. Not only did it ultimately require three separate pieces of legislation — no small task for Congress — but also years to implement the major changes to the entire financial aid system. From the outset, financial aid administrators recognized the monumental task the Department faced. They, too, had systems to update, staff to train, and stakeholders and constituents to educate. And financial aid professionals were ready to hit the ground running.

In early 2021, just weeks after the FAFSA Simplification Act was passed as part of the 2021 Consolidated Appropriations Act and as President Biden assumed office, NASFAA flagged FAFSA simplification implementation as a top priority<sup>4</sup> for the new administration, stressing the need for the Department to solicit stakeholder feedback, engage in meaningful collaborations, prioritize clear communication, conduct proactive outreach, and allow institutions time to adjust their own processes.

### *Early Warning Signs*

Indications that the Department wasn’t taking NASFAA’s suggestions seriously arose early on and have continued throughout this painful implementation process, even to this day. Almost immediately out of the gate, the Department began missing

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<sup>3</sup>[Stats in Brief: Why Didn't Students Complete a Free Application for Federal Student Aid \(FAFSA\)? A Detailed Look](#)

<sup>4</sup>[Investing in Our Future: The Top 5 Student Aid Policies Needed to Sustain and Strengthen Higher Education](#)

deadlines. For example, the Department did not release implementation guidance for the provisions authorized for implementation in the 2023-24 aid year until November 2022, a full month after that year's FAFSA was released, leaving institutions unable to begin making financial aid offers because they lacked guidance on critical provisions that changed in the FAFSA Simplification Act, such as creating a cost of attendance or performing professional judgment — some of the most basic and common elements of financial aid administration.

Still, a one-month delay at that time did not set off alarm bells. It is only with the benefit of hindsight that we now see it for what it was — the start of a pattern that would grow exponentially worse over time and shake the financial aid community's confidence in ED's credibility.

While we were hopeful that the one-year implementation extension granted by Congress in the Consolidated Appropriations Act of 2022 would give ED time to create and share a detailed project plan, we saw very little with respect to FAFSA simplification in the first year of implementation. When we finally did learn of ED's plans and timeline in March of 2023, it was incomplete and awash in vague deadlines — more often characterized as seasons of the year (e.g., spring, fall, winter) than any specific day or month. It's worth noting that even these vague seasonal deadlines were unfortunately missed. For instance, all policy guidance was supposed to be fully issued by the fall of 2023, including data-sharing guidance, which is more critical than ever given that institutions have Federal Taxpayer Information (FTI), which is considered Controlled Unclassified Information, on their campuses for the first time this year. It's now spring of 2024, and we are still waiting.

Little did we know this was a harbinger of far worse things to come for the 2024-25 cycle.

### *ED Creates a Crisis of Credibility by Prioritizing Public Relations Over Straightforward, Timely Communication*

At the Department's 2022 Federal Student Aid Training Conference in December, officials notably avoided mention of a launch date for the 2024-25 FAFSA. The Department stuck with this strategy — even when explicitly asked for a commitment — for nearly four months until it released its Better FAFSA Better Future Roadmap<sup>5</sup> on March 21, 2023.

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<sup>5</sup>[Implementing the 2024–25 FAFSA Process | Knowledge Center](#)

Worse, the Department buried the lede, using the opportunity to celebrate the roadmap release and making only passing reference to the fact that the FAFSA launch would be delayed until December — by far the most critical piece of information in the document<sup>6</sup>. This pattern of over-the-top celebrations of what most would call day-to-day operational achievements while burying bad news is being repeated even today. And worse, this political spin has now infiltrated operational guidance like Electronic Announcements (EAs) — the one place financial aid administrators could usually rely on for clear information from the Department.

The Department eventually announced that ISIRs would not reach institutions until the end of January 2024<sup>7</sup>, but only after six self-congratulatory paragraphs and even then, under the innocuous heading, “Transition to the Better FAFSA.”

In arguably the most egregious example of this ongoing obfuscation, on the *very day* schools had been told they would start receiving FAFSA applicant data, the Department on January 30, 2024 announced<sup>8</sup> yet another six-week delay of ISIR delivery under the guise of “ensur(ing) students and their families receive all the aid they are entitled to receive.” In reality, the Department was finally making inflation adjustments to the FM formula to comply with the law, an issue NASFAA called to their attention in October 2023<sup>9</sup>.

Even for Washington, the place infamous for creating political “spin rooms,” this set a new precedent for twisting bad news into indecipherable good, since these communications from the Department were presumably created with the intent of helping financial aid administrators, college access providers, state agencies, and others understand *how to implement* the Better FAFSA.

Unfortunately, the Department has followed this pattern for most of its official communications related to the Better FAFSA rollout. Bad news is buried beneath a sea of words celebrating that the Department has performed the basic functions it is charged with, or that it fixed its own mistakes. Electronic Announcements (EAs), once used to communicate official ED operational guidance, today read like press releases, or worse, propaganda. Recent EAs have been so poorly drafted that the Department has been forced to create a FAFSA Fast News blog and to add last-minute webinars just to explain the EAs. Worse, new information is released nearly every day, making it

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<sup>6</sup>Ibid

<sup>7</sup>[Update on the Simplified, Streamlined, Redesigned 2024-25 FAFSA \(Updated Jan. 30, 2024\) | Knowledge Center](#)

<sup>8</sup>[2024-25 FAFSA Student Aid Index Update and Timeline \(Updated March 14, 2024\) | Knowledge Center](#)

<sup>9</sup>[https://www.nasfaa.org/uploads/documents/2024-25DraftFAFSAcomments\\_30day-2.pdf](https://www.nasfaa.org/uploads/documents/2024-25DraftFAFSAcomments_30day-2.pdf)

impossible to keep track of the number of new issues relative to the number of past issues. In March, only nine days passed without a new announcement about ongoing problems. The Department's credibility diminishes with each piece of bad news wrapped within paragraphs of distraction.

We soon learned, sadly, that muddy and hyperbolic announcements were preferable to none at all, when ED simply surprised stakeholders with major, time-consuming, and often unnecessary changes to existing processes with no mention at all that anything had changed. For example, financial aid administrators discovered through their own digging that nearly every one of the more than 300 ISIR comment codes had changed — requiring institutions to re-write the coding for virtually all of their document tracking, student communications, and internal queries. Our members also uncovered that the Department had decided to turn a new requirement in the law for them to collect a single data element — Federal Work-Study earnings — into a brand new, 95-field data collection<sup>10</sup>.

The net effect is a breakdown in trust between practitioners and the Department of Education. Practitioners have come to believe that the Department will either withhold information from them until literally forced to tell the truth, often at the last possible moment, or bury useful information that schools, states, and college access professionals require to serve students.

### *Constant Errors Further Erode Trust*

Because the Department had fallen so far behind schedule, it seems to have prioritized rushing things out versus ensuring the work was accurate. We understood that the FAFSA would “soft launch” in December and be purposefully restricted so the Department could test the platform.

However, the restrictions were far more severe and the system was far less stable than anyone anticipated, with the site available for only brief periods for the first week and a host of technical glitches that continue even now, more than three months later. ISIRs, when they finally began to trickle in four months after the FAFSA's launch, to this day have incorrect SAs, incorrect underlying data, incorrect Pell Grant awards, and incorrect comment codes. As of the first week of April, any school that is relying on FAFSA data to package financial aid — the large majority of schools in this country — still cannot issue accurate aid offers to students or families.

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<sup>10</sup>[https://www.nasfaa.org/uploads/documents/NASFAA\\_Federal\\_Work\\_Study\\_Information\\_Collection\\_Comments.pdf](https://www.nasfaa.org/uploads/documents/NASFAA_Federal_Work_Study_Information_Collection_Comments.pdf)

From the FAFSA to the FM formula, the EdConnect system for receiving ISIRs to the data exchange with IRS, the Department has failed to successfully launch a single component of FAFSA simplification on its first attempt. Worse, when NASFAA members and others have pointed out errors they have discovered on their own, the Department has been slow to confirm these serious issues, at times only admitting to problems after they were made public by organizations or the media.

Schools tell us that the Department's workarounds to known issues are reaching the point of absurdity. Just last week, the Department instructed institutions that, in light of new errors discovered with data transmitted by the IRS, institutions must either take action to request a new ISIR from the Department with accurate data, or otherwise simply award aid to students based on an SAI they know to be incorrect. Days later, ED backtracked and informed the financial aid community that they had decided to automatically reprocess all impacted ISIRs. The Department also opted to address another data discrepancy with IRS tax data by simply changing what it considered a family to have paid in federal income tax. Determining student aid eligibility, once a complex assessment of a family's ability to pay for college, has become almost random at this point.

Institutions ask us, how can they possibly trust anything the Department puts out at this point? Even now that the Department has finally cleared its backlog of FAFSAs and delivered ISIRs to schools, schools live in constant fear each day that new issues revealing erroneous data or additional delays will surface.

Further eroding trust are insinuations that institutions aren't doing their part. In a webinar on March 18, Secretary of Education Miguel Cardona told financial aid administrators, many of whom had received only a handful of ISIRs at that point following three separate delays by the Department, "...we need institutions to be ready. We've got to get the ball rolling now so it's time really to get to work." He went on to say, "[w]e understand the compressed timelines have created challenges, but we're doing our part to try to make sure the ISIRs are coming out and provide the support to the institutions in preparation for those ISIRs. We need your partnership and leadership to process the aid packages quickly and every hour is precious."

To be clear, no institution needs to be reminded of how precious each day is, or that these delays are impacting students, particularly the most vulnerable populations. Financial aid administrators are ready, willing, and able to start packaging student aid, and they have been ready for months. It is the Department, not financial aid offices, that is holding up student aid packages.

### *Fallout From the FAFSA Rollout*

We appreciate that ED staff have been putting in extra time on nights and weekends to try to salvage this year's financial aid application process. We are grateful for the recent resources the Department has dedicated to its FAFSA College Support Strategy.

Department of Education staff are no doubt experiencing work levels that are unhealthy and unsustainable. But there are limits to what can be done at this late date to make up for work that should have happened months and years ago.

The implications of this FAFSA rollout extend far and wide and will continue into the future. Financial aid administrators are doing what is normally done over the course of six months in less than six weeks. Financial aid administrators and our colleagues in college access and admissions are taking the brunt of very much justified student and parent outrage over this year's processing cycle. That will continue as aid offers begin to be issued and families see SAs that are different from what they were provided in their confirmation emails and FAFSA Submission Summaries due to the many formula errors the Department discovered after the FAFSA opened. The burden will fall on schools to explain what happened and to deal with the aftermath.

Different institutions will weather this storm in different ways. Some will come out relatively unscathed, but others may never recover. Smaller colleges with fewer resources are not only the least able to work within the compressed time frame the Department's delays have forced on them; they are also the most sensitive to enrollment drops. We saw similar conditions during the COVID-19 pandemic, but this time around, there will be no \$76 billion federal lifeline to save them. These institutions, which are often the economic engines of the small towns in which they are located, will bear the financial scars of this fallout for years to come — if they are lucky enough to survive. We won't know the full extent of these impacts until we're on the other side.

And of course, when we talk about enrollments, we mean students — real people who will be the hardest hit by this year's terrible rollout. I know this hits just as hard for our colleagues at the Department as it does for all of us in this room. Students will have significantly less time to make one of the most important decisions of their lives. The more dependent they are on financial aid, the worse off they will be, meaning the impacts of this year's mistakes will be felt the hardest by the lowest-income students.

As of today, millions of students have no idea how they will pay for college. Students may choose the wrong school because they have incomplete financial aid information. Colleges have been forced to extend deadlines to accommodate the FAFSA delays, but that means students may not have access to their high school counselors to guide

them through the process because they are generally not available after the school year ends, long after the college decision process would normally have ended.

A NACAC analysis<sup>11</sup> of the Department's High School Longitudinal Study indicates that students who work 1:1 with a school counselor are seven times more likely to complete a FAFSA, four times more likely to enroll in some form of postsecondary education, and twice as likely to enroll in a four-year college as students who do not have access to a counselor. Considering the already high national student-to-counselor ratio of 408:1, many first-year students will have difficulty finding assistance to help them make informed enrollment decisions.

And some of these students may decide to put off attending college this year, or even altogether. What a remarkable shame it will be if the end result of FAFSA simplification efforts is fewer college graduates.

We are so far behind a normal schedule that even student aid disbursements for the 2024-25 aid year could be delayed. While the Department expects to open its 2024-25 Common Origination and Disbursement system functionality later this month for schools to begin processing Pell Grants and Direct Loans for next year, at that point it will still be working to reprocess ISIRs to account for incorrect income and tax data from the IRS FUTURE Act Direct Data Exchange (FA-DDX). Schools will have very few grants or loans to originate because of ISIR delays and errors, pushing back that workload and potentially impacting 2024-25 aid disbursements.

### *Solutions for Salvaging the 2024-25 Cycle*

Because we are still very much in the midst of this ongoing crisis, we would be remiss if we did not offer suggestions to try to mitigate the damage to students and institutions from this failed FAFSA cycle.

First off, we cannot let this year's mistakes forever alter the trajectory of students' lives. Students need access to their high school counselors as they complete the FAFSA, evaluate their financial aid offers, and decide which college will be the best fit for them both academically and financially. We are heartened to see partnerships already forming between financial aid administrators, schools, the Department, grantors, states, and school districts to push for FAFSA completion and school counseling. More will be needed and we look forward to working with this Committee and our stakeholder allies on figuring out how we get support to those efforts now. We will need to find a way to ensure high school counselors are available over the summer to

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<sup>11</sup>[How Can High School Counseling Shape Students' Postsecondary Attendance?](#)

help students complete the FAFSA if they haven't yet done so, and to help them make the best college decisions.

Because technical issues with the online FAFSA likely caused many applicants to abandon the application without completing and submitting it, the Department must send targeted communications to this population of applicants letting them know the issues are fixed and encouraging those students to complete their applications.

The Department last week promised to reprocess all FAFSA records with incorrect data due to IRS data transfer issues and other known issues. It must complete this reprocessing quickly and accurately and explain the reason for the change to students whose SAIs are increasing as a result of reprocessing.

Finally, we need the Department to be straightforward in its communications going forward, most especially in operational guidance. It should halt all political spin and level with schools, college access providers, states, and stakeholders about the state of affairs. It should stop burying bad news and treat those of us in the community like the partners we are. None of us want failure. We need the facts, and we need them straight from the Department going forward.

### *A Rocky Future Ahead?*

As critical as it is to focus our energies on the here and now, we must look ahead to next year's FAFSA. The Department committed in March, 2023<sup>12</sup> to an October 1 FAFSA launch for the 2025-26 cycle. However, the Department has not, in more recent months, reiterated that commitment. Indeed, based on prior years' cycles, the Department appears to be behind schedule. A typical FAFSA cycle sees a draft form published for public comment in late February. Last year's was posted on March 23, after the Department admitted it wouldn't make the October 1 release date. To date, the Department has not yet issued a 2025-26 draft FAFSA. Given this, it seems inevitable this year's woes will bleed into next year's cycle.

### *Conclusion*

It is natural to ask what went wrong and who is responsible.

Was it systematic incompetence? Political mis-prioritization? Project or vendor mismanagement? Lack or misdirection of resources?

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<sup>12</sup>[Implementing the 2024–25 FAFSA Process | Knowledge Center](#)

The answers to these questions are vital. Today, my role is to provide the information, context, and implications of what happened, as experienced by the financial aid professionals who are weathering this storm on the front lines, and the downstream impacts that will most certainly negatively impact students. We trust that Congress will delve into these questions, not for political gain, but because this is how a functioning democratic Republic improves itself.

It's time to cut through the red tape and deliver on the very real promise of a simplified "Better FAFSA." I have personally helped students complete the new FAFSA as often as I can, and the form is much easier to complete, particularly for our most vulnerable student populations.

Financial aid professionals are witnessing the real impact of bureaucratic missteps on our most vulnerable students. We need better communication and answers, not excuses. It's not about politics; it's about accountability and improvement. Let's learn from these mistakes and ensure every student has a fair shot at postsecondary education. The future of countless young minds depends on it.

Thank you for holding this hearing and we look forward to answering any questions you may have.

# FAFSA Key Dates



In a normal processing year, the FAFSA is released on October 1. Students complete the FAFSA, the FAFSA is processed, and ISIRs are generated within 3-5 business days and sent to institutions. Applicants and institutions are typically able to make corrections to the FAFSA immediately after it is processed. Below is a timeline of the 2024-25 cycle.

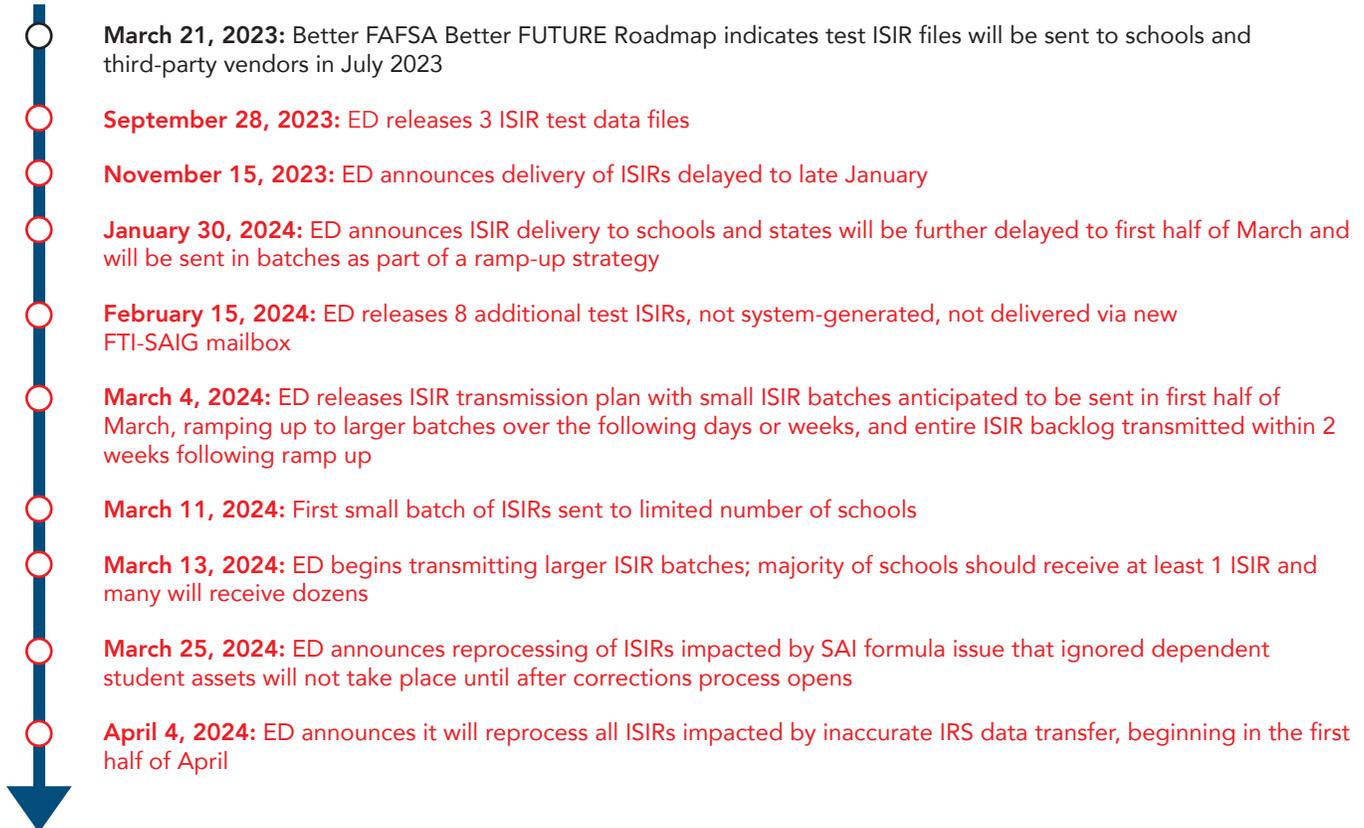
- **December 27, 2020:** Consolidated Appropriations Act, 2021 signed into law; includes FAFSA Simplification Act
- **January 19, 2021:** NASFAA includes FAFSA simplification as a top priority in a brief prepared for incoming Biden administration
- **March 15, 2021:** Consolidated Appropriations Act, 2022 includes technical revisions to the FAFSA Simplification Act including delaying implementation for FAFSA and SAI formula provisions to 2024-25
- **November 28 - December 1, 2022:** ED does not commit to October 1 FAFSA release date at its annual FSA Training Conference; shares vague dates for release of FAFSA-related documentation that do not appear to allow for an October 1 launch
- **December 14, 2022:** NASFAA and NCAN send joint letter to White House asking for confirmation of whether 2024-25 FAFSA launch will occur on October 1
- **February 7, 2023:** ED officials refuse to commit to October 1 FAFSA release date for 2024-25 at NASFAA's Leadership & Legislative Conference & Expo
- **March 15, 2023:** NASFAA & other higher education organizations send a joint letter to ED asking for commitment on FAFSA release date
- **March 21, 2023:** ED releases Better FAFSA Better FUTURE Roadmap with announcement of December FAFSA launch
- **March 27, 2023:** ED releases 2024-25 paper draft FAFSA for 60-day public comment period
- **September 18, 2023:** ED releases second draft paper FAFSA for 30-day comment period
- **October 13, 2023:** NASFAA & other higher education organizations urge ED to provide specific FAFSA release date
- **November 15, 2023:** ED announces 2024-25 FAFSA will be available by December 31. Students will also be unable to make corrections to submitted FAFSAs until late January
- **November 17, 2023:** NASFAA joins other higher organizations in joint letter requesting more detailed information about timelines
- **December 15, 2023:** ED announces FAFSA release will be a "soft launch"
- **December 30, 2023:** FAFSA opens with significant outage periods and early reports of students unable to complete the application for various reasons
- **January 7, 2024:** FAFSA Issue Alerts page created documenting many issues impacting applicants' ability to complete the form, including students whose contributors (parents and students' spouses) lack a social security number (SSN)
- **January 30, 2024:** ED announces students will not be able to make corrections to submitted FAFSAs until the first half of March
- **February 20, 2024:** ED announces resolution for FAFSA contributors without an SSN coming in first half of March; releases 9-step temporary workaround
- **March 12, 2024:** ED announces that most contributors without an SSN can now complete their FAFSA section
- **March 12, 2024:** ED announces IRS FA-DDX not working for contributors without an SSN
- **March 15, 2024:** As larger batches of ISIRs are received, schools report seeing higher than normal rates of students applying for unsubsidized loan only. ED later changed the wording of the FAFSA question to ensure students answer correctly
- **March 25, 2024:** ED announces delay in applicants' ability to make FAFSA corrections to the first half of April
- **March 29, 2024:** ED catches up on FAFSA backlog

KEY Red = Late announcement or release | Blue = NASFAA action/communication  
Orange = Department of Education error

# ISIR Key Dates



The ISIR is the output document of the FAFSA that communicates the Student Aid Index (SAI) and Pell Grant eligibility to financial aid offices, which they use to determine a student's eligibility for financial aid. In a normal processing year, ISIRs are generated within 3-5 days after students submit the FAFSA, and are sent to institutions at that point. Below is a timeline of the 2024-25 cycle.





# SAI Formula/Student Eligibility Determination Key Dates

Formerly known as the EFC, the formula that determines a student's aid eligibility is typically updated annually and finalized prior to the release of the FAFSA on October 1. In a normal processing year, ISIRs contain accurate SAIs upon which financial aid administrators can make financial aid offers to students. Below is a timeline of the 2024-25 cycle.

- December 27, 2020:** Consolidated Appropriations Act, 2021 signed into law; includes FAFSA Simplification Act
- March 15, 2021:** Consolidated Appropriations Act, 2022 includes technical revisions to FAFSA Simplification Act including delaying implementation for FAFSA and SAI formula provisions to 2024-25
- November 21, 2022:** ED publishes 2024-25 Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables reflect original figures from FAFSA Simplification Act
- May 19, 2023:** ED releases first update of Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables still reflect original figures from FAFSA Simplification Act
- August 25, 2023:** ED issues second update to Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide; tables still reflect original figures from FAFSA Simplification Act
- September 13, 2023:** A participant asks ED in a FAFSA webinar whether tables in the SAI formula will be updated for inflation; ED indicates no plans to do so for 2024-25 but will update in 2025-26
- September 21, 2023:** ED releases FSA Estimator
- September 25, 2023:** FSA Estimator taken down due to inaccurate SAI/Pell information being generated
- October 16, 2023:** NASFAA requests that ED update SAI formula tables for inflation
- January 23, 2024:** White House announces SAI formula tables will be updated; no details on when tables will be updated or whether it will impact ISIR delivery promised for late January
- January 30, 2024:** Final SAI Guide with formula tables updated for inflation published
- February 27, 2024:** ED announces it is making a significant change to the SAI formula to permit the Student Contribution from Income (SCI) to be as low as -\$11,130 vs. -\$1,500 from earlier versions of the SAI formula
- February 28, 2024:** ED is alerted to an issue with SAIs being incorrectly calculated due to dependent student assets being ignored
- March 1, 2024:** President Biden signs continuing resolution legislation, amending the FAFSA Simplification Act to place a -\$1500 floor on the SCI for 2024-25 and \$0 floor for 2025-26 and beyond to address earlier ED error
- March 12, 2024:** ED announces error in estimated SAIs provided to students from households with 2 income earners where one income is < \$60K causing assets not to be considered in the SAI
- March 21, 2024:** ED notified by a financial aid administrator that the IRS FA-DDX appears to be transferring the wrong line item from the tax return for US taxes paid, using a higher figure that includes self-employment tax (meaning SAIs are appearing to be lower than they should be)
- March 22, 2024:** ED announces error in SAIs being delivered to schools on ISIRs where student assets were not being counted toward the student contribution in the SAI, requiring reprocessing
- March 22, 2024:** ED notified by an FAA that IRS FA-DDX appears to be transferring incorrect figures for education credits
- March 29, 2024:** ED announces it is aware of reports concerning tax data provided on the Institutional Student Information Records (ISIRs) for 2024-25 FAFSA applications
- March 30, 2024:** ED updates March 29 Electronic Announcement regarding potential incorrect FTI data transferred from ED. Confirms <20% of applications are impacted. Confirms issues of "some fields are a mix of updated and original returns", education credit data inaccurate, manual entry tax paid and education credits wrong due to discrepancies in the instructions
- April 1, 2024:** ED provides follow-up on three separate incorrect tax data issues. Shares that it will only reprocess records if reprocessing would result in a lower SAI but that institutions can use PJ to use existing (incorrect) data or request reprocessing but that ED will assume schools will use incorrect data to make financial aid decisions

KEY Red = Late announcement or release | Orange = Department of Education error  
Blue = NASFAA action/communication

# EdConnect Key Dates



EdConnect is a Windows-based software financial aid administrators use to send and receive federal student aid information, including ISIRs. EdConnect is occasionally updated, but not necessarily in conjunction with the start of an aid processing cycle. Due to the changes in the FAFSA Simplification Act, EdConnect required an upgrade. Below is a timeline of the 2024-25 cycle.

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- A vertical blue arrow pointing downwards, with a white circle at the top and a white circle at the bottom. The arrow is positioned to the left of the timeline items.
- November 8, 2023:** ED sends Electronic Announcement to schools instructing them to upgrade to EdConnect 8.6.0
  - December 4, 2023:** ED announces issue with EdConnect 8.6.0; offers temporary workaround and promises fix in future release
  - February 27, 2024:** ED announces release of EdConnect 8.6.1
  - February 29, 2024:** ED announces issue with EdConnect version 8.6.1; removes software file from website
  - March 1, 2024:** EdConnect version 8.6.1 is re-released with supposed fixes
  - March 11, 2024:** ED announces issue with headers and trailers identified in the supposedly fixed EdConnect version 8.6.1. Instructions provided to users who downloaded prior to March 11 indicate they must take one of two proposed actions to address issues