



Don't Make a Splash— Balancing Data Sharing Rules

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Presentation Overview

- INTRODUCTION TO DATA SHARING—LAWS
- OVERVIEW OF CHANGES
- DATA CATEGORIES
 - ▶ FAFSA/FAFSA DERIVED DATA
 - ▶ FEDERAL TAX INFORMATION (FTI)
- FTI & CUI INFO
- CURRENT RULE INTERPRETATIONS
- WRITTEN CONSENT
- RISKS
- IMPLEMENTATION EXAMPLES
- RESOURCES



First Things First

WE ARE ALL EXPERIENCING THIS TOGETHER, AND WE EXPECT TO CONTINUE RECEIVING UPDATES FROM ED. WE ALSO EXPECT AN UPDATE FOR NASFAA'S DATA SHARING DECISION TREE.

EACH CAMPUS IS RESPONSIBLE FOR MAKING DECISIONS THEY FEEL ARE COMPLIANT AND MINIMIZE RISK.



Data Sharing and Applicable Laws

FINANCIAL AID STAFF HAVE ACCESS TO SEVERAL EXAMPLES OF SENSITIVE CONFIDENTIAL DATA FOR STUDENTS AND PARENTS. FOR EXAMPLE, ACCESS IS GRANTED TO INFORMATION ON THE ISIR AND FEDERAL SYSTEMS. FINANCIAL AID OFFICES ALSO RECEIVE NUMEROUS DOCUMENTS WITH PERSONALLY IDENTIFIABLE INFORMATION (PII). IT IS CRITICAL FINANCIAL AID ADMINISTRATORS UNDERSTAND THE LAWS GOVERNING SHARING OF STUDENT FINANCIAL AID INFORMATION:

- HEA SECTIONS 483, 485B & 494 OF THE HEA
- FERPA
- PRIVACY ACT OF 1974, AS AMENDED
- SECTION 6103(L)(13) OF THE IRC



Overview of Changes

Pre-FUTURE Act / FAFSA Simplification Act (2023-24 & Preceding FAFSA Cycles)

FAFSA Data includes:

- Applicant & contributor information provided on the FAFSA:
 - Personally-Identifiable Information
 - Demographic Information
 - Income & Asset Information (including information received through the IRS data retrieval tool (DRT)).
 - Student Eligibility Information
 - List of college receiving the FAFSA form
- Derived FAFSA Data:
 - Expected Family Contribution (EFC)
 - Federal Pell Grant Eligibility (Yes/No)

Post-FUTURE Act / FAFSA Simplification Act (2024-25 & Succeeding FAFSA Cycles)

FTI Data:

- **Includes any Federal return information received from the IRS by ED under the FUTURE Act Matching Program**
- **Tax Filing Status (Yes/ No)**

FAFSA Data includes:

- Applicant & contributor information provided on the FAFSA (similar to preceding FAFSA cycles)
- **Manually Entered/ Provided Income & Asset Information***

Derived FAFSA Data:

- Student Aid Index (SAI)
- Federal Pell Grant Eligibility (Yes/No)



FAFSA/FAFSA Derived Data

- THE FACT THAT THE FAFSA WAS FILED IN AND OF ITSELF;
- ANSWERS TO QUESTIONS THE STUDENT AND PARENTS ARE REQUIRED TO ANSWER ON THE FAFSA FOR THE CALCULATION OF THE STUDENT AID INDEX (SAI);
- INSTITUTIONAL STUDENT INFORMATION RECORD (ISIR) AND FAFSA SUBMISSION SUMMARY (FSS) DATA;
- KEY PROCESSING RESULTS;
- STUDENT AID INDEX (SAI);
- STUDENT'S FINANCIAL AID HISTORY AS REFLECTED IN THE NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS);
- NON-FEDERAL TAX INFORMATION (FTI) ISIR DATA TO DETERMINE AWARD ELIGIBILITY, AND THE RESULTING AWARDS AND DISBURSEMENT DATA (INCLUDING FEDERAL PELL GRANT ELIGIBILITY);
- FEDERAL WORK-STUDY (FWS) AWARDS AND PAY DATES; AND
- INFORMATION CONTAINED IN THE COMMON ORIGINATION AND DISBURSEMENT (COD) SYSTEM.



Federal Tax Information (FTI)

STARTING 2024-25, THE FOLLOWING DATA IS CONSIDERED FTI:

- TAX YEAR (EX. AWARD YEAR 2024-25 IS BASED ON 2022 TAX YEAR INFORMATION FROM THE IRS)
- TAX FILING STATUS
- ADJUST GROSS INCOME (AGI)
- NUMBER OF EXEMPTIONS AND NUMBER OF DEPENDENTS
- INCOME EARNED FROM WORK
- TAXES PAID
- EDUCATIONAL CREDITS



Federal Tax Information (FTI) Continued

- UNTAXED IRA DISTRIBUTIONS
- IRA DEDUCTIBLE AND PAYMENTS
- TAX EXEMPT INTEREST
- UNTAXED PENSION AMOUNTS
- SCHEDULE C NET PROFIT/LOSS
- INDICATORS FOR SCHEDULES A, B, D, E, F, H
- IRS RESPONSE CODE



FTI & Controlled Unclassified Information (CUI)

- THE ISIR WILL CONTAIN FTI DATA WITH CUI/SP-TAX TAGS AROUND THE FIELDS.

INSTITUTIONS ARE REQUIRED TO REPLICATE AND MAINTAIN THESE TAGS IN ANY PLACE THE FTI IS STORED.

THIS INCLUDES ENSURING CUI LABELS APPEAR WHEN FTI IS INSPECTED OR USED FOR PURPOSES OF DETERMINING AN AID APPLICANT'S ELIGIBILITY AND THE AWARDING OF FEDERAL, STATE, AND/OR INSTITUTIONAL FINANCIAL AID PROGRAMS.

FTI DATA

Question: Can FTI data be disclosed at an aggregate level (not tied to student information) for other uses at a college?

Answer: No, FTI data may not be further redisclosed to other entities or individuals, even at an aggregate level, for any other purposes (e.g., research).

FTI data may only be used for the purpose in which it was redisclosed to the institution (i.e., the determination and amount of student aid).



Current Rule Interpretation—FTI

- CAN BE USED ONLY FOR THE APPLICATION, AWARD, AND ADMINISTRATION OF FEDERAL, STATE, OR INSTITUTIONAL FINANCIAL AID.
 - MAY BE SHARED WITH CONTRACTORS OR OTHER CAMPUS OFFICES FOR THE PURPOSE ABOVE ONLY.
- WITH WRITTEN STUDENT PERMISSION CAN BE SHARED WITH SCHOLARSHIP GRANTING ORGANIZATIONS.
- CAN BE SHARED WITH WRITTEN STUDENT PERMISSION WITH AN ORGANIZATION ASSISTING THE STUDENT IN SECURING FEDERAL, STATE, LOCAL OR TRIBAL ASSISTANCE FOR ANY COMPONENT OF THEIR COA FOR THAT PURPOSE ONLY.
- INSTITUTIONS MAY NOT USE FTI DATA FOR RESEARCH EVEN WITH STUDENT PERMISSION.
- A DISCUSSION OF THE INFORMATION IN A FAFSA, INCLUDING FEDERAL TAX INFORMATION, OF AN APPLICANT BETWEEN AN INSTITUTION OF HIGHER EDUCATION AND THE APPLICANT MAY, WITH THE WRITTEN CONSENT OF THE APPLICANT, INCLUDE AN INDIVIDUAL SELECTED BY THE APPLICANT (SUCH AS AN ADVISOR) TO PARTICIPATE IN SUCH DISCUSSION.



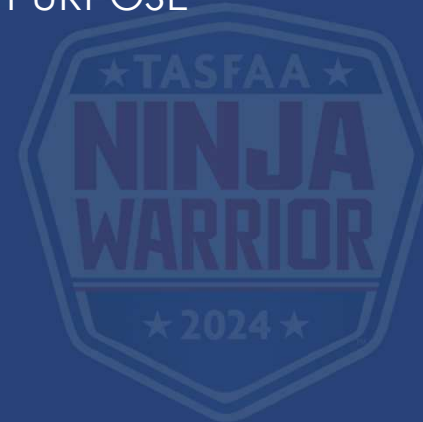
Current Rule Interpretation— FAFSA Data

- INSTITUTIONS MAY USE THE FAFSA DATA, EXCLUDING FTI, FOR RESEARCH THAT DOES NOT RELEASE ANY INDIVIDUALLY IDENTIFIABLE INFORMATION ON ANY APPLICANT, TO PROMOTE COLLEGE ATTENDANCE, PERSISTENCE, AND COMPLETION.
- FAFSA DATA THAT DOES NOT INCLUDE FTI MAY BE DISCLOSED AND USED BY OTHER INTERNAL INSTITUTIONAL OFFICES CONSISTENT WITH THE HEA. GENERALLY, THIS MEANS WRITTEN PERMISSION IS NEEDED IF IT IS NOT BEING USED FOR AID AWARDING.
- FAFSA OR ISIR DATA DERIVED FROM FTI, BUT NOT INCLUDING IT, CAN BE SHARED WITH EXPLICIT WRITTEN CONSENT OF THE STUDENT FOR ADVISING, STUDENT SUCCESS SUPPORTS, ETC.
- ALL ISIR DATA, INCLUDING FTI, MAY BE SHARED WITH THE STUDENT OR ANY CONTRIBUTOR AS THEY CONSENTED AT THE TIME OF FAFSA FILING.



Written Consent - 1908h(c)(4)(B)

- THE TERM "WRITTEN CONSENT" MEANS A SEPARATE, WRITTEN DOCUMENT THAT IS SIGNED AND DATED (WHICH MAY INCLUDE BY ELECTRONIC FORMAT) BY AN APPLICANT, WHICH:
 - INDICATES THAT THE INFORMATION BEING DISCLOSED INCLUDES RETURN INFORMATION DISCLOSED UNDER SECTION 6103(1)(13) OF TITLE 26 WITH RESPECT TO THE APPLICANT;
 - STATES THE PURPOSE FOR WHICH THE INFORMATION IS BEING DISCLOSED; AND
 - STATES THAT THE INFORMATION MAY ONLY BE USED FOR THE SPECIFIC PURPOSE AND NO OTHER PURPOSES.



Risks of Misusing FTI

IRC §7213

Willful unauthorized **disclosure** of tax return or return information

Felony; fine up to \$5,000, or imprisonment up to 5 years, or both, plus the costs of prosecution

IRC §7213A

Willful unauthorized **inspection** of tax return or return information

Fine up to \$1,000, imprisonment up to 1 year, or both, plus the costs of prosecution

IRC §7431

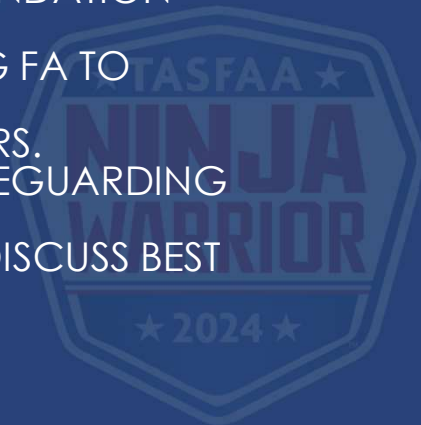
Knowing or negligent inspection or disclosure of tax return or return information by officer or employee in violation of any provision of IRC §6103

Taxpayer may bring a civil action for damages against officer or employee



Roane State—Action Items

1. REVIEW OUR BANNER SECURITY CLASSES THAT CONTAIN ACCESS TO RNANA TO DETERMINE IF IT IS NECESSARY FOR THE WORK OF THOSE INDIVIDUALS ASSIGNED TO THAT PARTICULAR SECURITY CLASS.
2. REVIEW ANY USER WITH ACCESS TO RNANA TO DETERMINE IF THEIR ROLE IS NECESSARY FOR THE ADMINISTRATION OF TITLE IV AID AND IF NOT, UPDATE THEIR ACCESS.
3. REVIEW USERS WITH ACCESS TO WEB SNAPSHOT TO DETERMINE IF THEIR ROLE IS NECESSARY FOR THE ADMINISTRATION OF TITLE IV AID AND IF NOT, UPDATE THEIR ACCESS.
4. ALL USERS WITH ACCESS TO FA DATA WILL BE REQUIRED TO SIGN A CONFIDENTIALITY FORM.
5. REVIEW ANY EXTRACTS IN ARGOS CONTAINING FA DATA USED BY OFFICES OUTSIDE OF FA TO DETERMINE IF IT FALLS WITHIN THE ALLOWABLE USE OF DATA (EX: FOUNDATION OFFICE).
6. MODIFYING THE PROCESS FOR REQUESTING ARGOS REPORTS CONTAINING FA TO REQUIRE FA APPROVAL FOR THE CREATION OF REPORT.
7. CONFIRM ALL ARGOS REPORTS CONTAIN THE APPROPRIATE CUI INDICATORS.
8. MONTHLY MEETING WITH FA TEAM TO REMIND OF BEST PRACTICES FOR SAFEGUARDING DATA.
9. MEET WITH DIRECTOR AND ASSISTANT DIRECTOR OF STUDENT SUCCESS TO DISCUSS BEST PRACTICES FOR SAFEGUARDING DATA.



U of M—Action Items

1. BEGAN HAVING DISCUSSIONS WITH CAMPUS PARTNERS (INSTITUTIONAL RESEARCH, IT, AND SCHOLARSHIPS) MID-FALL REGARDING NEW RESTRICTIONS ON ACCESS TO FTI.
 - IF ACCESS IS NO LONGER ALLOWED, IDENTIFY ALTERNATIVE OPTIONS.
 - USING PUBLICLY AVAILABLE INCOME ESTIMATES BASED ON DEMOGRAPHICS AND LOCATION.
 - CREATING REPORTS THAT IDENTIFY ELIGIBILITY RATHER THAN USING ACTUAL RAW DATA.
2. USING THE NEW RESTRICTIONS AS AN OPPORTUNITY TO CONDUCT AN OVERALL REEVALUATION OF ACCESS TO FINANCIAL AID INFORMATION, NOT JUST FTI. THIS REEVALUATION HAS BEEN ON MY “TO DO” LIST FOR A WHILE AND THE NEW RESTRICTIONS ARE A GREAT JUSTIFICATION IN CASE THERE IS PUSHBACK.
 - UPDATING BANNER SECURITY ROLE CLASSES (ONLY FA STAFF WILL HAVE ACCESS TO RNANAXX).
 - REVIEWING EACH AND EVERY USER TO DETERMINE WHETHER ACCESS IS STILL NEEDED OR ALLOWED.
 - FA DIRECTOR MUST APPROVE ANY ACCESS TO FTI.
 - ALL USER ACCESS WILL BE REEVALUATED ANNUALLY AT THE TIME OF NEW AID YEAR SETUP.
3. ALL USERS WHO WILL HAVE ACCESS TO FTI WILL BE REQUIRED TO SIGN A FORM ACKNOWLEDGING THEY UNDERSTAND THE RESTRICTIONS, PENALTIES, AND AGREEING TO PROPER USE OF THE DATA.



U of M—Action Items

1. ARGOS REPORTS UPDATED.
 - ANY REPORTS WITH FTI ARE BEING UPDATED TO INCLUDE THE NEW REQUIRED LABEL OF CUI//SP-TAX.
 - NO FAFSA DATA WILL BE EXPOSED TO ANY OF THE DATA WAREHOUSES (ARGOS OR POWERBI).
 - FTI TABLE WILL NOT BE EXPOSED TO ANY DATA WAREHOUSES (ARGOS OR POWERBI).
 - ONLY DESIGNATED FA STAFF OR IT/DBAS CAN QUERY OFF THE FTI TABLES.
 - REPORTS WILL ONLY BE DELIVERED TO A SECURED NETWORK/SHARED DRIVE—NOT EMAILED, PRINTED, OR STORED LOCALLY.
2. 3RD PARTY VENDORS THAT USE FTI WILL BE REQUIRED TO AGREE TO RESTRICT THEIR USE TO ASSISTING/CONSULTING IN THE ADMINISTRATION OF FINANCIAL AID AND CANNOT USE IT FOR RESEARCH/STATISTICAL ANALYSIS ACROSS THEIR CLIENT BASES.



Resources

[\(GENERAL 23-34\) ACCESS AND USE OF FEDERAL TAX INFORMATION \(FTI\) FOR FEDERAL STUDENT AID PROGRAMS BEGINNING WITH THE 2024-2025 FAFSA PROCESSING CYCLE](#)

[IRS PUBLICATION 1075– TAX INFORMATION SECURITY GUIDELINES](#)

2023 FSA CONFERENCE BREAKOUT SESSION #10

- DATA USE AND CONSIDERATIONS UNDER THE FUTURE ACT AND FAFSA SIMPLIFICATION ACT





Thank you!

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