

Analysis of Quality Assurance
Program Data: 2012-13

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Executive Summary

Schools participating in the Quality Assurance (QA) Program develop their own, rather than federally prescribed, procedures for verifying the accuracy of the information that students supply on their Free Application for Federal Student Aid (FAFSA) form.

During the 2012–13 award year, schools participating in this program analyzed Institutional Student Information Records (ISIRs) for the applicants who met school verification selection criteria. This report combines ISIR records submitted by 131 schools and presents a program-wide analysis of 154,667 ISIRs. In addition to the analysis of ISIR data, the report presents the results of a survey administered to the schools participating in the QA Program during the spring of 2013.

The major findings include:

- While only 141 schools participate in the QA Program and represent fewer than three percent of schools participating in the Pell Grant Program, they collectively disbursed 12 percent of all Pell Grant dollars during the 2011–12 award year.
- Nearly all the QA Schools found the ISIR Analysis Tool software (94 percent) and web-based training (96 percent) delivered by the QA Program staff to be useful.
- More QA Program schools reported they modified their verification selection criteria between the 2012–13 and 2013–14 award years to reduce the number of applicants selected (50 percent) than to increase the number of applicants selected (40 percent).
- In 2012–13 a small percentage (nine percent) of QA Schools continued to collect paper copies of federal tax returns to document adjusted gross income (AGI) and federal taxes paid for at least some students who met school verification criteria. In these cases, the paper tax return was collected even if the applicant used the IRS Data Retrieval Tool (IRS DRT). In some cases, these QA Schools believe they still need to review a complete copy of the family's tax return to fully determine the family's ability to pay for college.
- More than half (56 percent) of QA Schools used a combination of the IRS DRT, tax transcript, or a paper tax return to verify income information reported on the FAFSA. Slightly more than one third (36) of QA Schools chose to follow the current federal verification practice of relying on either the IRS DRT or IRS tax transcripts to verify income and taxes paid.
- In comparison to the award year (AY) 2009–10, QA Schools in 2012–13 corrected a greater percentage of potential Pell Grant over-awards. Overall, QA School verification identified about 19 percent of Pell Grant payments as potentially improper in the AY 2012–13, a slight decrease from the previous year's figure of 20

percent, suggesting a plateau for the effectiveness of QA Schools' verification efforts.

- QA Schools identified six criteria that were extremely efficient in selecting records that experienced a change to Expected Family Contribution (EFC) when subjected to verification. More than 98 percent of the records selected based on these criteria experienced an EFC change. In comparison, about one-half of all the records in the 2010–11 random sample that were selected by Central Processing System (CPS) (49 percent) and school (56 percent) experienced a change to EFC.
- The most effective QA School verification selection criteria concentrated on independent students who used the IRS DRT with IRS flags of 03 or 04, which indicate that the applicant imported data from the IRS and made changes. The average absolute value in Pell Grant changes was \$3,590.
- The school selection criteria with the largest average Pell Grant change among applicants who used the IRS DRT on the initial transaction and were selected by the CPS targeted dependent applicants with EFC's above zero who also reported receiving scholarships or additional grant aid.

Introduction

Federal, state, and private financial aid programs help students and their families finance higher education. Many of these aid programs are “need-based.” They target students with the least ability to pay for college themselves. This targeting of aid is based on student and parental self-reports about their income and assets. Therefore, ensuring the accuracy of the student and family’s reported economic circumstances plays an important role in maintaining the integrity of federal financial aid programs. Colleges and universities routinely check the accuracy of aid applications during a process called “verification.” This report examines the verification at schools participating in the QA Program of the U.S. Department of Education (ED), Federal Student Aid (FSA).

Schools participating in the QA Program develop their own procedures for verifying the accuracy of the information that students supply on their FAFSA. The FAFSA information is sent electronically to schools as ISIRs. The ISIR includes all the elements used to calculate the students’ EFC. The difference between the total cost of attending a specific college or university and a student’s EFC determines his or her eligibility for need-based Title IV aid. Undergraduate applicants with an EFC less than 4995 in AY 2012–13 were generally eligible for a Pell Grant.

The QA Program began as a pilot to test providing regulatory flexibility to a limited group of schools, allowing them to develop their own processes for verifying information provided by Title IV student aid applicants. The pilot was a corrective action in response to findings from national quality control studies questioning the effectiveness of the Department’s random selection approach used for verification. The pilot evolved into the QA Program of today, which exempts participating schools from specific regulatory requirements related to verification. That regulatory exemption allows QA Program schools to develop their own criteria for (1) selecting applicants for verification, (2) determining which FAFSA items applicants must verify, and (3) developing the documentation and process by which verification will be completed.

The QA Program is authorized under Section 487A(a) of the Higher Education Act (HEA). The QA Program was first included in the HEA in 1992, and its provisions were amended in 1998. Most significantly, the 1998 amendment limited the QA Program to only regulatory flexibility for matters related to reporting and verification.

Each QA Program school targets its verification selection on FAFSA data that are likely to have been misreported when the FAFSA was initially filed and to affect student eligibility for need-based aid when FAFSA information was corrected.

The results of this customized verification at QA Schools presented in this and previous reports have provided valuable information as FSA developed its national risk model and its “improper payments” analysis. Previous reports are available at: <http://www.ifap.ed.gov/qahome/report.html>.

The Department is in its first phase of customizing federal verification e.g., creation of verification tracking groups. The accompanying regulatory changes have allowed the Department to not only select fewer applicants using the statistical modeling techniques, but also select a subset of FAFSA items for specific applicants to verify. Like the school-specific verification made possible by the QA Program, more efficient targeting of federal verification has the potential of reducing burden for students, families, and schools while improving Title IV program integrity, especially in reducing improper payments in the Federal Pell Grant Program.

During the 2012–13 award year, schools participating in the QA Program analyzed ISIR data from applications that met their verification selection criteria. Schools uploaded the initial ISIR information and any subsequent changes they detected into the ISIR Analysis Tool (the Tool) and used it to generate statistical reports to evaluate the results of their verification procedures.

FSA’s Central Processing System (CPS) provided a data file containing the 154,667 ISIRs uploaded by 136 QA Schools.

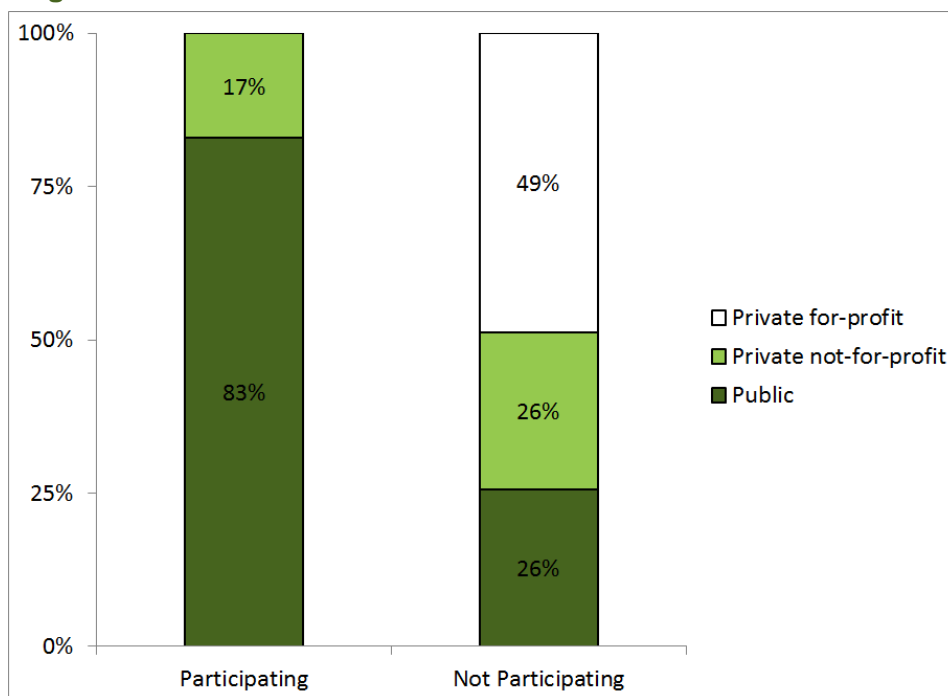
This report presents the results of the program-wide analysis of these data. Because the AY 2012–13 data only come from those applications that met one or more QA School verification criteria, this analysis will focus exclusively on the corrections current QA School verification efforts detect. During the 2013–14 award year, QA Schools are re-verifying the ISIR information from random samples of at least 350 applicants drawn from their entire aid applicant population, so next year’s analysis will explore what QA School verification may be missing.

We begin with a description of the QA program and the participating schools. We then examine the impact of QA School verification on potential improper payments in the Pell Grant program. Next, we review the overall efficiency and effectiveness of QA School verification efforts in selecting high proportions of records that experienced a change to a Pell Grant or EFC. This program-wide review of the efficiency and effectiveness of QA School verification is followed by a presentation of single-school selection criteria that performed extremely well in selecting records with changes to Pell Grants or avoiding the selection of records with no change to the EFC. This is followed by the results of a survey of program participants conducted during the spring of 2013.

Description of Schools Participating in the Quality Assurance Program

When interpreting the results here, it is important to keep in mind that QA Schools are not a random subset of all schools participating in the Title IV programs. The QA Schools are self-selected and are primarily public, four-year, large schools. See **Figure 1**. While a handful of public two-year schools participate in the QA Program, more than 90 percent are four-year schools. There are currently no for-profit schools participating in the QA program. Due to rounding, percentages may sum to less or greater than 100.

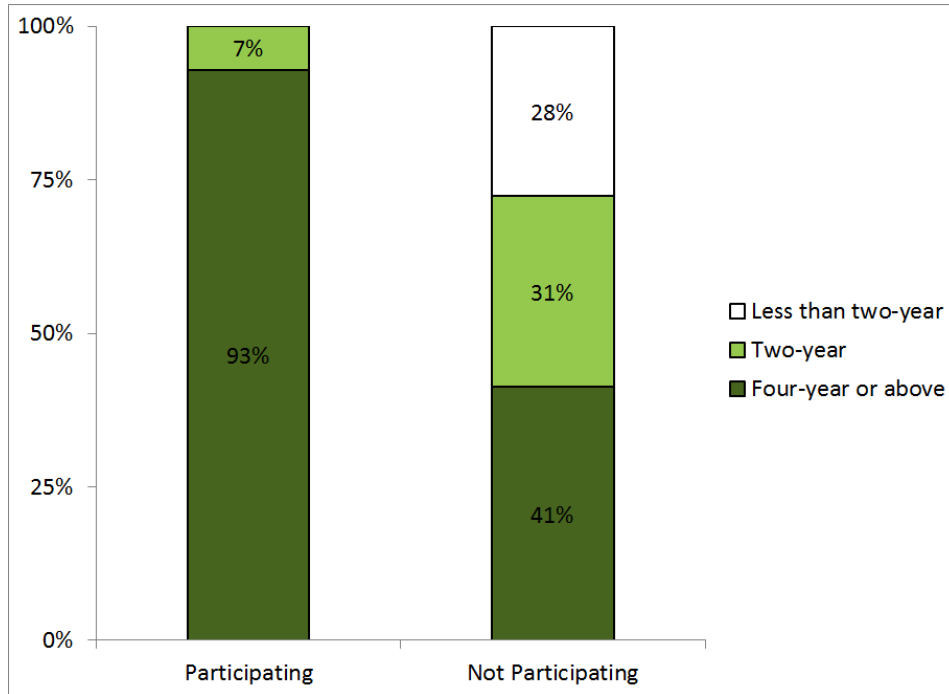
Figure 1: Control of Title IV Postsecondary Schools Participating and Not Participating in the QA Program



Source: Integrated Postsecondary Education Data System, AY 2012–13. Participating N = 141, Not-Participating N = 7,217.

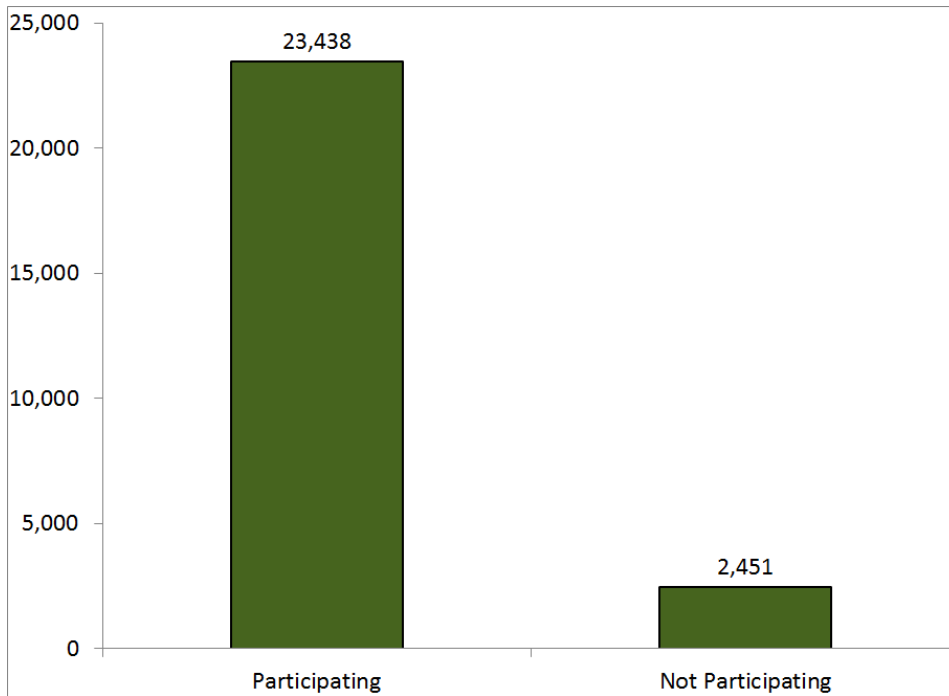
Figure 2 provides a distribution of the highest offering of degrees at QA participating and non-participating schools. As the chart illustrates, an overwhelming majority of QA Schools are four-year or above degree-granting schools. QA Schools tend to enroll considerably more students than non-QA Schools. **Figure 3** provides the average enrollment at QA Schools and non-QA Schools. Note that on average, QA Schools enroll nearly six times as many students as other degree-granting schools that submitted data to ED's Integrated Postsecondary Education Data System (IPEDS).

Figure 2: Highest Degree Offering at Title IV Postsecondary Schools Participating and Not Participating in the QA Program



Source: Integrated Postsecondary Education Data System, AY 2012–13. Participating N = 141, Not-Participating N = 7,217.

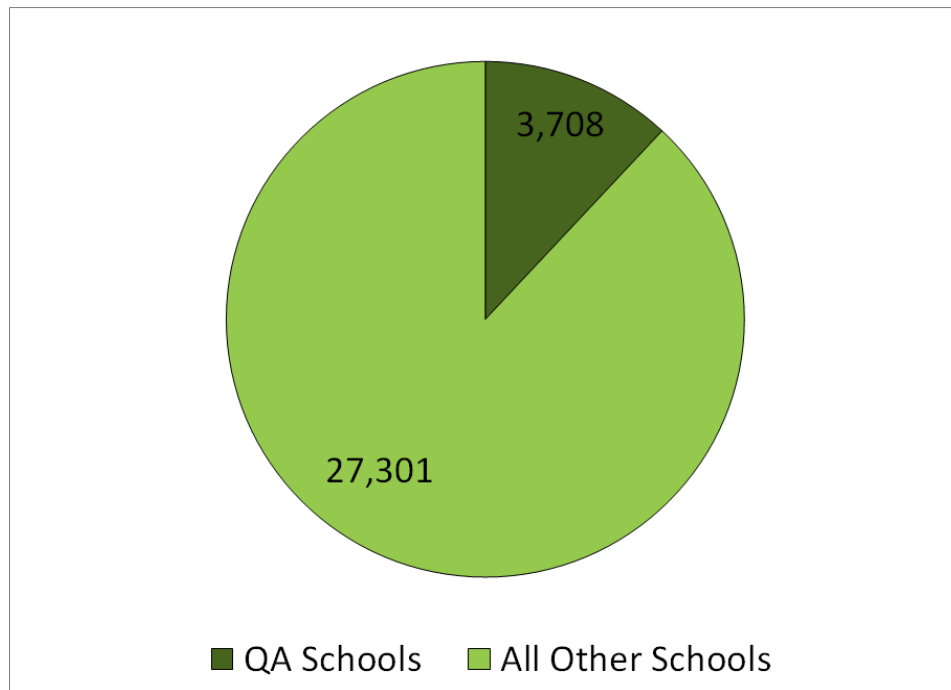
Figure 3: Average Enrollment at Title IV Postsecondary Schools Participating and Not Participating in the QA Program



Source: Integrated Postsecondary Education Data System, AY 2012–13. Participating N = 141, Not-Participating N = 7,217.

Because they enroll so many students, QA Schools award a greater share of federal financial aid than one might expect given the small number of schools. While the 141 QA Schools constitute fewer than three percent of the 5,595 schools that disbursed Pell Grants during the 2011–12 award year, based on data from the National Student Loan Data System (NSLDS) the QA Schools disbursed greater than 10 percent (\$3.7 billion) of all Pell Grant dollars during the 2010–11 award year. Note the 2010–11 award year was the most recent for which complete data were available. See **Figure 4**.

Figure 4: Pell Disbursements in Millions of Dollars made by Quality Assurance Program Participation Status during the 2010–11 Award Year

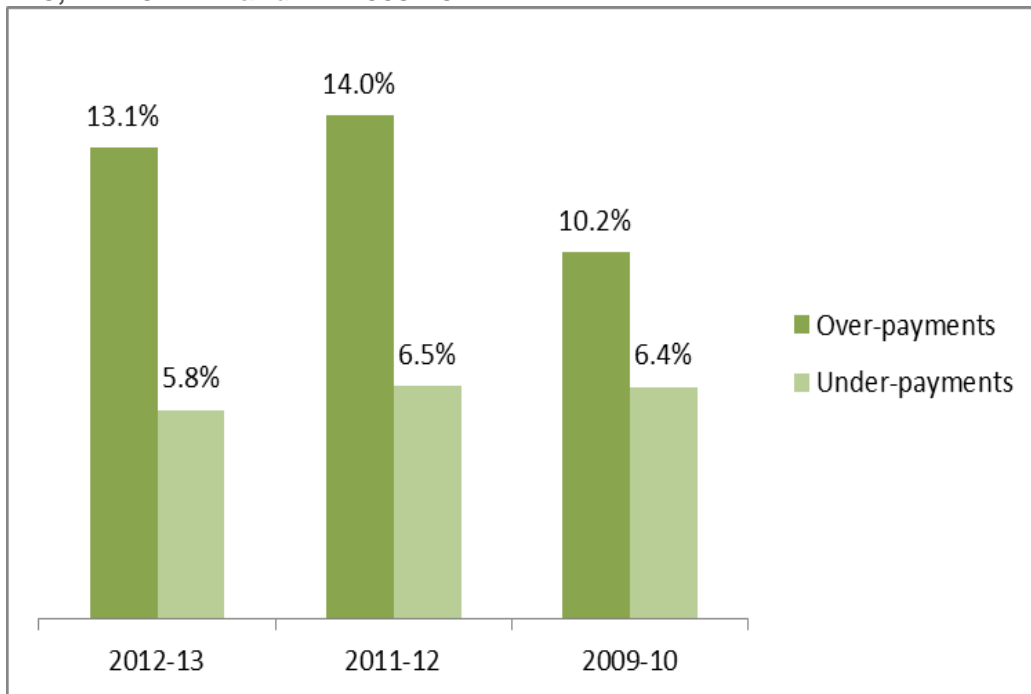


Sources: Quality Assurance Program National Student Loan Data System, AY 2010–11.

Potential Improper Payments in the Pell Grant Program

Below we assess the ability of schools to prevent “potential” improper payments in the Pell Grant program. We qualify our results with the word “potential” because an unknown percentage of initial errors would have been self-corrected by the students involved even if they had not been selected for verification. **Figure 5** represents the program-wide averages for improper payments detected through institutionally developed verification criteria during the 2009–10, 2011–12, and 2012–13 award years.

Figure 5: Potential Improper Pell Grant Payments Corrected by QA School Verification: AY 2012-13, AY 2011-12 and AY 2009-10



Source: Quality Assurance Program Data. AY 2012-13, N=154,667, AY 2011-12, N=148,290, and AY 2009-10, N=147,727

The data displayed above reflect only those records that schools selected for verification. The values reflect the percent of Pell Grant dollars that could have potentially been improperly awarded based on the initial transaction but were corrected by school verification procedures. In AY 2012–13, Pell Grant overpayments found by QA School verification efforts constituted 13 percent of all Pell disbursements. The percentage of overpayments detected through school verification procedures increased by almost three points from the 2009–10 award year.

In the next section we look at the most efficient individual school criteria reported by QA Schools.

Most Efficient QA School Selection Criteria

Schools participating in the QA Program used alphanumeric codes to identify which specific institutional selection criteria each record met. Schools uploaded this information into the ISIR Analysis (IA) Tool and we assessed the efficiency of these individual criteria using five metrics. The first two of these metrics measured how well school criteria addressed potential improper payments in the Pell Grant program. Specifically, we calculated the average absolute value change to Pell Grants and the percent of records experiencing a change to a Pell Grant. The third metric captured the efficiency of each school criterion by calculating the percentage of records selected that experienced an EFC change when subjected to verification. The fourth and fifth metrics looked at school verification of applicants who had used the IRS DRT when initially completing the FAFSA.

We calculated all five metrics for the 907 criteria submitted by the 131 schools providing ISIR data for the 2012–13 award year. We identified the criteria scoring the highest on each of the five metrics. We then contacted the schools with the highest scores and asked for a description of their criteria. The number of criteria presented in Tables 2–6 varies because not all of the schools we contacted responded.

In the following tables, we present these criteria descriptions accompanied by the value on the metric recorded by the school during the 2012–13 award year.

To provide a sense of the additional verification burden associated with each criterion, we provide the percentage of the random sample that met the conditions specified. A few criteria incorporated school-specific information not available on the ISIR or data that have been added to the ISIR since AY 2010–11, so the random sample percentage is not available for all criteria.

Table 1, on the next page, presents the criteria that selected records where the average absolute value change to the student’s Pell Grant award exceeded \$2,000. For comparison purposes, the average Pell Grant change among records selected by the CPS in the combined QA random sample from the 2010-11 award year was \$551.

The second column in the table presents the average absolute value change to Pell Grant awards among records selected by the indicated criteria at the QA School that developed the selection criteria. The third column presents the percentage of the most recent random sample of all aid applicants at QA Schools. This random sample data was collected during the 2010–11 award year.

Table 1: QA School Criteria with Highest Average Absolute Value Pell Change

Criteria Description	Average Pell Change at School	Percent of Random Sample Meeting Criteria
<ul style="list-style-type: none"> Independent student IRS flag equal to '03' or '04' (changes made to IRS data) 	\$3,590	n/a
<ul style="list-style-type: none"> Independent student Not married Household size is greater than 1 AGI greater than or equal to \$35,000 Pell Grant-eligible flag Taxes paid is greater than \$1,999 Dependents other than child or spouse 	\$2,978	<0.01%
<ul style="list-style-type: none"> Independent student Taxes paid is greater than \$1,999 Pell Grant-eligible flag AGI greater than or equal to \$10,000 Dependents other than child or spouse 	\$2,760	0.29%
<ul style="list-style-type: none"> Independent student AGI greater than or equal to \$10,000 Yes to dependents other than child or spouse Pell Grant-eligible 	\$2,323	1.36%
<ul style="list-style-type: none"> Dependent and independent (only due to age) Taxes paid greater than 35% of their AGI 	\$2,052	0.51%
<ul style="list-style-type: none"> Dependent Parent income tax paid greater than or equal to 45% of total parent income 	\$2,101	0.47%
<ul style="list-style-type: none"> Dependent EFCs less than \$15,000 Paid more for college than \$10,000 in calendar year 2011 and the amount paid is \$5,000 or more greater than the AGI Undergrads Pell-eligible "Will file" who are not automatic 0's 	\$2,189	n/a
<ul style="list-style-type: none"> Dependent EFC ≤ 4995 Parent AGI ≥ \$20,000 and < \$70,001 Parent tax filing status = "will file" Not eligible for Auto-Zero EFC Parent tax paid > \$0 Parent tax paid > 20% of Parent AGI 	\$2,138	0.140%

<ul style="list-style-type: none"> • Dependent • EFC \$1–6,000 • Parent AGI is \$20,000 to \$75,000 • Parent tax filing status of “will file” • Parents’ responses to question 91 total more than \$5,000 (Parents’ 2011 Additional Financial Information) • Parent did not successfully use the IRS Data Retrieval Tool 	\$2,014	0.204%
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Source: Quality Assurance Program Data. AY 2012-13, N=154,667 and 2010-11 N=64,310

The school selection criterion with the highest average absolute value change (\$3,590) selected independent students who used the IRS DRT but made changes.

All of the ten criteria with the highest average change to Pell Grants targeted a small minority of applicants. The highest percentage of the random sample meeting any one of these criteria was 1.36 percent.

Most of the ten criteria combined multiple ISIR fields to identify students to verify based on unlikely combinations of responses to items on the FAFSA.

Table 2, on the next page, presents seven criteria that were extremely efficient in terms of only selecting records that experienced a change in a Pell Grant when verified. Among the records selected by each, roughly 90 percent experienced a change to a Pell award. For comparison, less than one-half of records (43.9 percent) selected by the CPS in the combined QA random sample from AY 2010–11 experienced a change to a Pell Grant. The percent of records selected by QA Schools in 2010–11 was even lower, 37.8 percent.

The highest percentage (100 percent) selected unmarried independent students with adjusted gross incomes of \$35,000 or more with dependents other than a child or spouse.

All seven criteria combined multiple ISIR data elements. All targeted the Pell eligibility range either directly using EFC or indirectly using adjusted gross income.

Table 2: QA School Criteria with Highest Percent of Records with Pell Change

Criteria Description	Percent at School with a Pell Change	Percent of Random Sample Meeting Criteria
<ul style="list-style-type: none"> • Independent student • Not married (FAFSA Q#46 = No) • Household size is greater than 1 • AGI greater than or equal to \$35,000 • Pell Grant eligible flag • Student taxes paid is greater than \$1,999 • Yes to dependents other than child or spouse (Q #51) 	100.0%	0.294%
<ul style="list-style-type: none"> • Parents estimated taxes • Pell-eligible • AGI is more than \$25,000 and less than \$140,000 with one in college or between \$70,000 and \$140,000 with 2 or more in college 	96.2%	n/a
<ul style="list-style-type: none"> • Dependent • EFC range = 1–4995 • Filing status is estimated • AGI > \$20,000 	91.0%	9.46%
<ul style="list-style-type: none"> • Dependent • Pell-eligible, excluding auto-zero EFCs • Parent tax return = already completed • Parent adjusted gross income = \$50,000–\$70,000 • Parent taxes paid = \$0–\$4000 • Parent additional financial information (education credits, child support paid, need-based employment, grant and scholarship aid listed as taxable income, combat pay and co-op earnings) is either \$0 or blank 	90.9%	1.18%
<ul style="list-style-type: none"> • Student reported untaxed income • Parents reported more than \$2,000 in “additional financial information” • Student indicated other than non-filer • Student AGI is equal to zero but student wages were reported 	90.6%	0.0%
<ul style="list-style-type: none"> • Parent filed estimated taxes • Student reported untaxed income • Parents reported more \$2,000 in “additional financial information” • Student indicated other than non-filer and AGI is equal to zero but wages were reported 	90.0%	0.0%

<ul style="list-style-type: none"> • Dependency status = D • Parent indicated “Will File” • Parent AGI > \$50,000 • Pell Eligibility Flag = Y 	89.8%	12.8%
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Source: Quality Assurance Program Data. AY 2012-13, N=154,667 and 2010-11, N=64,310

Table 3 presents six criteria that were extremely efficient in terms of only selecting records for verification that experienced a change to EFC. More than 98 percent of the records selected by these criteria experienced an EFC change when subjected to verification. In comparison about half of the records in the random sample of the 2010–11 award year that were selected by the CPS (48.6 percent) and the school (55.7 percent) experienced a change to EFC.

Table 3: QA School Criteria with Highest Percent of Records with an EFC Change

Criteria Description	Percent at School with an EFC Change	Percent of Random Sample Meeting Criteria
<ul style="list-style-type: none"> • Independent students • Not married (FAFSA Q#46 = No) • Household size is greater than 1 • AGI greater than or equal to \$35,000 • Pell Grant-eligible flag • Taxes paid is greater than \$1,999 • AGI greater than or equal to \$10,000 • Yes to dependents other than child or spouse (Q #51) 	100.0%	0.294%
<ul style="list-style-type: none"> • Parents have listed all zeros in the last digit (dollar) for AGI, taxes paid, and wages • AGI > \$35,000 	100.0%	n/a
<ul style="list-style-type: none"> • Dependent • Not first-year • Filing status is null 	100.0%	n/a
<ul style="list-style-type: none"> • Dependent • Not first-year • Filing status is “will file” 	100.0%	n/a
<ul style="list-style-type: none"> • Dependency status = D • Parent indicated “will file” • Parent AGI > \$50,000 • Pell Eligibility Flag = Y 	98.2%	12.83%
<ul style="list-style-type: none"> • Dependent • First-year • Filing status is “will file” 	98.0%	n/a

Source: Quality Assurance Program Data. AY 2012-13, N=154,667 and 2010-11, N=64,310

All of the records selected by the first four of these criteria experienced a change to EFC. The criteria that identified an EFC change for 100 percent of selected applicants included unmarried, independent applicants who claimed a dependent other than a child or spouse. The second criterion targeted dependent students with low incomes (less than \$35,000) that had line items ending in zero. The third and fourth criteria targeted non-freshmen, dependent students who estimated parents' taxes paid or left that FAFSA item blank.

The other two criteria selected very few records where EFC was not affected by verification. These two criteria exclusively targeted dependent students.

Tables 4 and 5 present criteria that were most efficient in terms of selecting records for school verification that experienced a change to a Pell Grant award, even though the applicant used the IRS DRT when completing the initial application. The percent of the random sample from the 2010–11 award year is not available for these criteria because the IRS DRT was not available then.

Table 4: QA School Criteria with Highest Average Absolute Value Pell Change among Applicants Who Retrieved Data Directly from IRS

Criteria Description	Average Pell Change at School
<ul style="list-style-type: none"> Independent student IRS flag equal to '03' or '04' (changes made to IRS data) 	\$4,531
<ul style="list-style-type: none"> Single Independent AGI ranging from \$0–\$39,999 IRS flag equal to '02', '03', or '04' <p>*The majority of these students at the school were non '02' students (i.e., they had made changes to IRS data), '02' students did not re-verify AGI and taxes paid, only household size and number in college</p>	\$3,844
<ul style="list-style-type: none"> Dependent Parent AGI greater than or equal to \$23,000 Taxes paid greater than \$2,399 Pell Grant-eligible 	\$988
<ul style="list-style-type: none"> Student marital status is "married" AGI is greater than \$14,999 Child support paid is greater than \$0 EFC greater than or equal to 0 but less than 4996 (Pell-eligible) 	\$980
<ul style="list-style-type: none"> Student marital status is not "married" Income is greater than or equal to \$9,500 EFC = 0 Student selected for verification by CPS 	\$847
<ul style="list-style-type: none"> Dependent Pell-eligible 	\$823

<ul style="list-style-type: none"> • Parent AGI less than \$50K • Parent taxes paid greater than \$500 	
<ul style="list-style-type: none"> • Dependent students who were not Pell-eligible in 2011–12 but were in 2012-13 	\$777

Source: Quality Assurance Program Data. AY 2012-13, N=154,667.

Table 4 identifies school criteria that select for verification all independent students who make a change to their data transferred from the IRS. The average change to Pell awards in this group was nearly equal to a full Pell award. Another QA School's criterion found that students who were eligible for a Pell Grant who hadn't been eligible in the previous year were good candidates for verification even if they transferred income and tax data from the IRS.

Table 5: QA School Criteria with Highest Average Absolute Value Pell Change among Applicants Who Retrieved Data Directly from IRS and Were Selected by the CPS for Verification.

Criteria Description	Average Pell Change at School
<ul style="list-style-type: none"> • Dependent • EFC > 0 • Parents report grant/scholarship aid > 0 	\$954
<ul style="list-style-type: none"> • Dependent • EFC between \$1 and \$4,995 • Parent AGI between \$35,000 and \$70,000 • Student AGI > \$0 	\$805
<ul style="list-style-type: none"> • Dependent • Parent total income of \$40,001–\$60,000 	\$749
<ul style="list-style-type: none"> • Parent contribution < \$20,000 • Parent's AGI is less than zero • Student AGI < zero 	\$742
<ul style="list-style-type: none"> • Dependent • Parent AGI greater than or equal to \$23,000 • Taxes paid less than \$2,400 • Household size greater than four • Taxes filed • Pell Grant-eligible 	\$740
<ul style="list-style-type: none"> • Pell-eligible • Dependent • Parent's AGI greater than \$32,000 • Filed 1040; not eligible for 1040A/EZ; no auto zero EFC flag; not a dislocated worker 	\$717
<ul style="list-style-type: none"> • Dependent students who were not Pell-eligible in 2011–12 but were in 2012-13 	\$714

Source: Quality Assurance Program Data. AY 2012-13, N=154,667.

Table 5 identifies the school criteria with the largest average Pell change among applicants who used the IRS DRT when filing their FAFSA and were selected by the CPS for verification. The criterion with the largest average change to Pell targeted dependent applicants with EFCs above zero who reported an additional scholarship/grant.

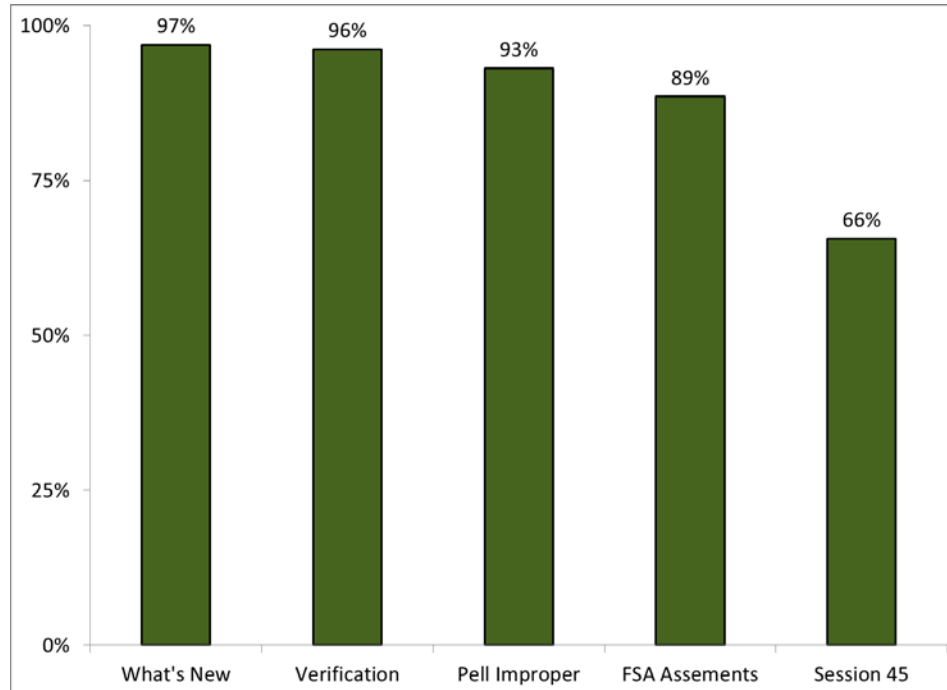
Across all five of the metrics we used to identify the most effective QA School verification criteria (Tables 1–5), we found that the most successful criteria tended to include multiple ISIR fields. This strategy allowed schools to effectively target their verification efforts on students likely to receive more or less in Pell Grant assistance than they were entitled to. Many of these combinations of multiple ISIR fields involve the use of EFC or AGI ranges.

Survey of QA Program Schools

During spring 2013, FSA asked the QA Schools to complete a customer satisfaction survey. This survey solicited feedback from QA program participants on the usefulness of the training provided and of the ISIR Analysis Tool that is used to analyze the effectiveness of school verification selection criteria. The survey also asked a number of questions about schools' verification processes. We provide a copy of the survey questionnaire in the appendix.

QA Program staff presented four online webinars and a session for QA Schools at the 2012 FSA Training Conference for Financial Aid Professionals. The survey asked respondents to evaluate the usefulness of online training as well as the session for QA Schools offered at the fall training conference. **Figure 5** presents the percentage of respondents participating in the online sessions and/or the session held at the fall training conference.

Figure 5: Percent of QA Schools Attending Specific Training Sessions during the 2012-13 Award Year

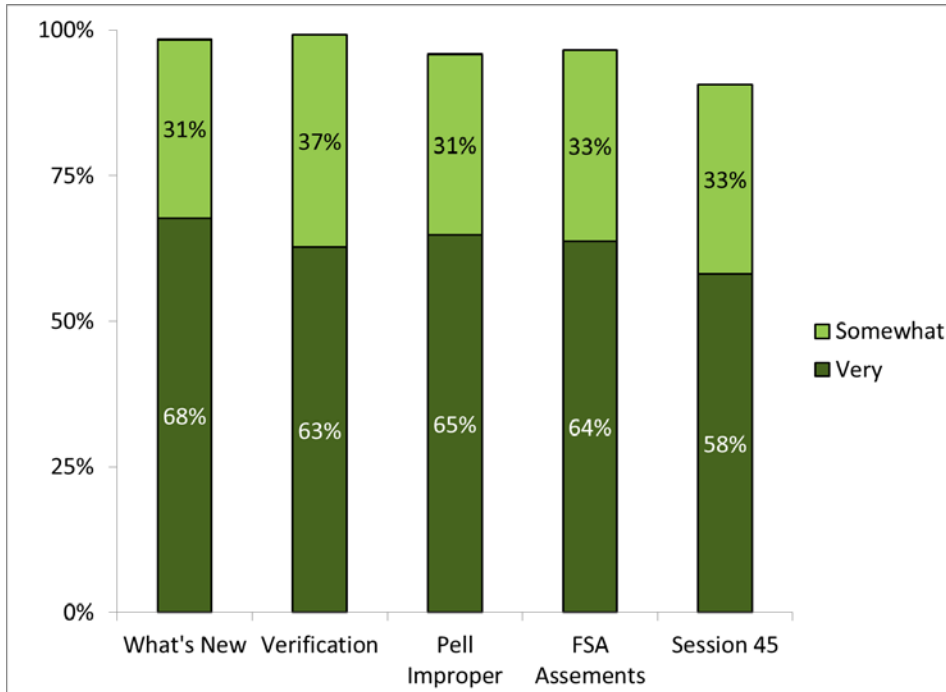


Source: *Quality Assurance Program School Survey 2012-13 N = 131.*

More than ninety percent of respondents attended the first three online webinars offered during fall 2012 and early winter of 2013, and eighty nine percent of respondents attended the online webinar on the FSA Assessments. Far fewer respondents were able to attend the session offered at the FSA fall training conference in December 2012. These findings indicate that QA Schools are readily able to access online training, while one-third of QA Schools were unable to attend the fall training conference session.

As shown in **Figure 6**, almost all of the respondents found the online training presented during the late fall of 2012 and early 2013 to be “very” or at least “somewhat” useful. Schools seemed to appreciate the content of the online training provided. The online training medium not only allowed multiple staff members to participate without incurring travel expenses but also provided content that a higher percentage of QA Schools found “very” useful compared to their rating of the usefulness of the single conference session offered during the award year. A slightly smaller but still overwhelming majority of QA Schools found Session 45 offered at the 2012 FSA fall training conference to be “very” or “somewhat” useful.

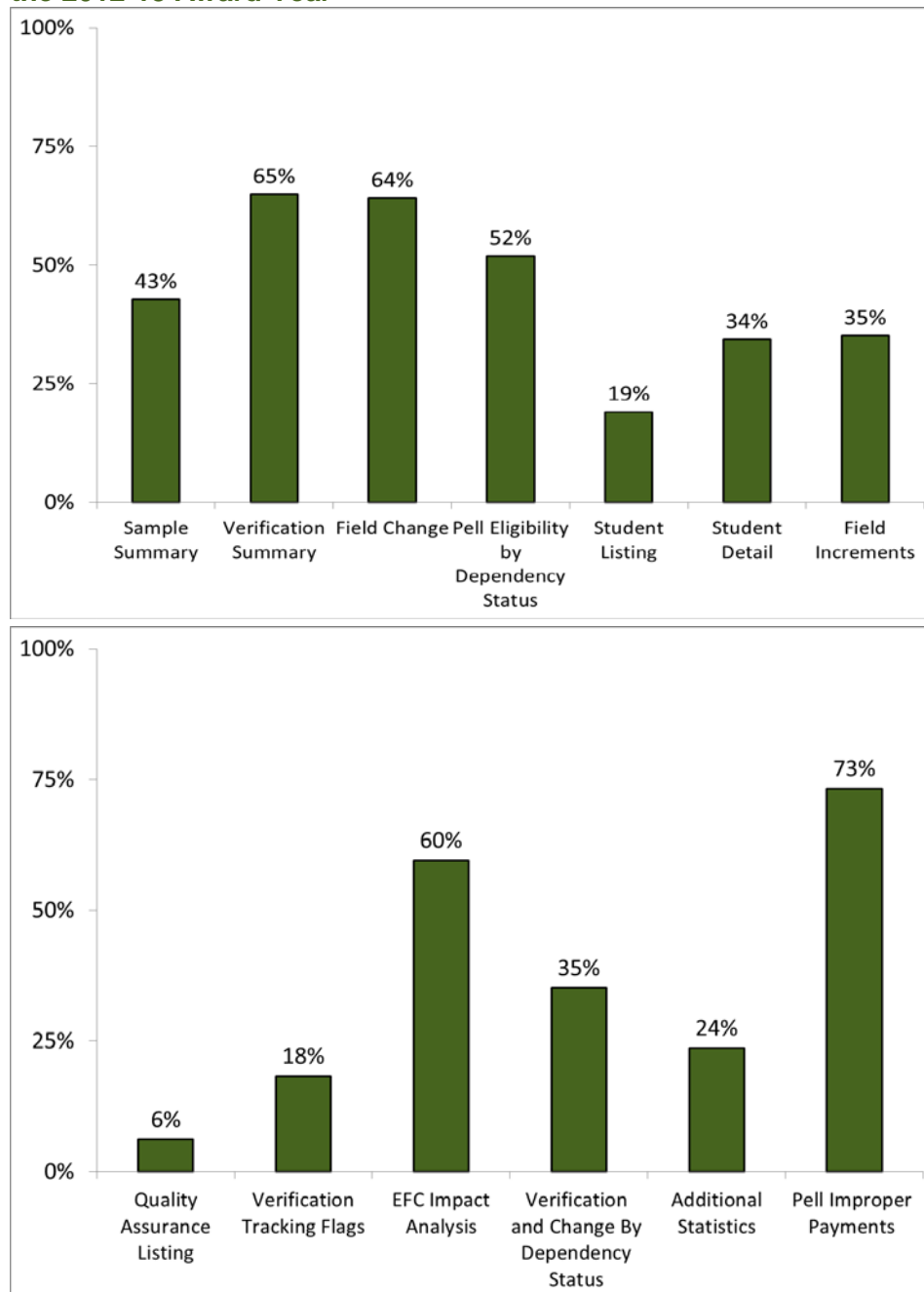
Figure 6: Percent of QA Schools Finding Specific Training Sessions during the 2012-13 Award Year “Very” or “Somewhat” Useful



Source: Quality Assurance Program School Survey 2012-13 N = 131.

The ISIR Analysis Tool provides 13 reports for schools to use to analyze ISIR data they upload into the Tool. The survey asked schools to indicate which of the reports in the Tool they used in their analysis of AY 2012–13 data. **Figure 7** presents these findings.

Figure 7: Percent of QA Schools Using the Indicated ISIR Analysis Tool Report during the 2012-13 Award Year



Source: Quality Assurance Program School Survey 2012-13 N = 131.

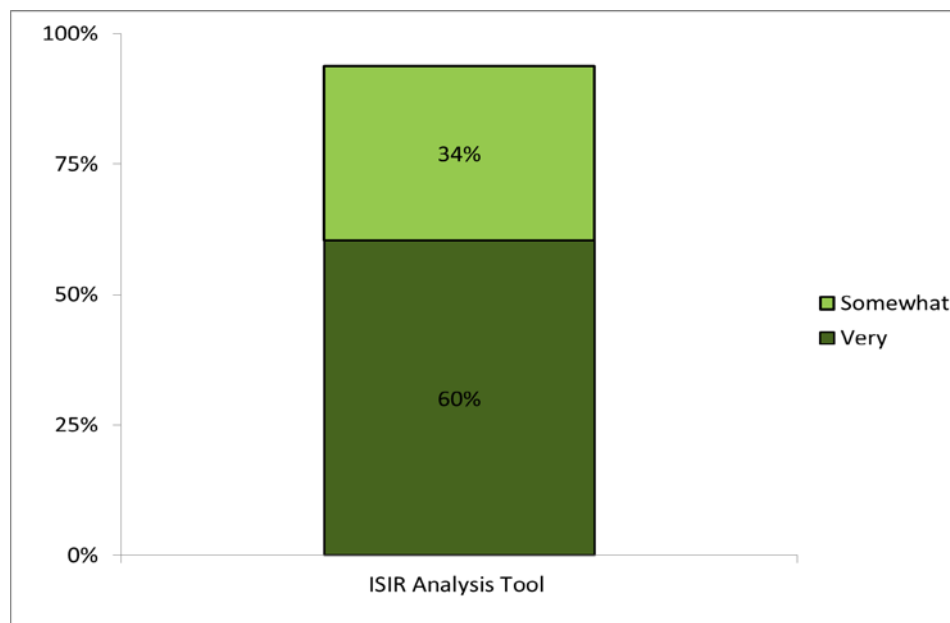
The highest percentage of schools (73 percent) used the Pell Improper Payment Report in their analysis of AY 2012–13 data. This is not surprising given much of the online training, as well as the session held at the 2012 FSA Training Conference for Financial

Aid Professionals, focused on the Pell Grant Improper Payment Report. This report allows schools to create their own roll-up and pivot tables to conduct in-depth analysis of changes to ISIR data.

The Verification Summary Report, which displays a variety of school and CPS verification summary statistics, and the Field Change Report, which displays information on the proportion of records experiencing an EFC and Pell Grant change, as well as the percentage of records selected for verification, were the next two most commonly used reports as schools conducted their AY 2012–13 data analysis activities. The QA Listing, Verification Tracking Flag and Student Listing reports were used by the fewest schools. These least popular reports provide data on individual students as well as specific changes to ISIR data elements. Perhaps schools find it easier to conduct such fine-grained analysis on their own systems or through running ad hoc reports with the ISIR Analysis Tool.

Figure 8 presents the distribution of survey responses for the 131 schools regarding the usefulness of the ISIR Analysis Tool. Almost all of the QA Schools expressed a positive opinion of the Tool; 94 percent of schools indicated that overall they found the Tool to be “very” or “somewhat” useful. The number of schools satisfied with the Tool remains high and virtually unchanged from AY 2011–12 findings.

Figure 8: Percent of QA Schools Finding the ISIR Analysis Tool “Very” or “Somewhat” Useful



Source: Quality Assurance Program School Survey 2012-13 N = 131.

Table 6 provides counts of people involved in two specific QA Program activities, use of the ISIR Analysis Tool and setting school verification selection criteria. On average just over two people used the Tool, and these findings suggest that use of the Tool to conduct data analysis activities is not generally the sole responsibility of a single staff member and analysis activities are shared among financial aid office staff.

Table 6: Number of People at QA Schools Using ISIR Analysis Tool and Setting School Selection Criteria

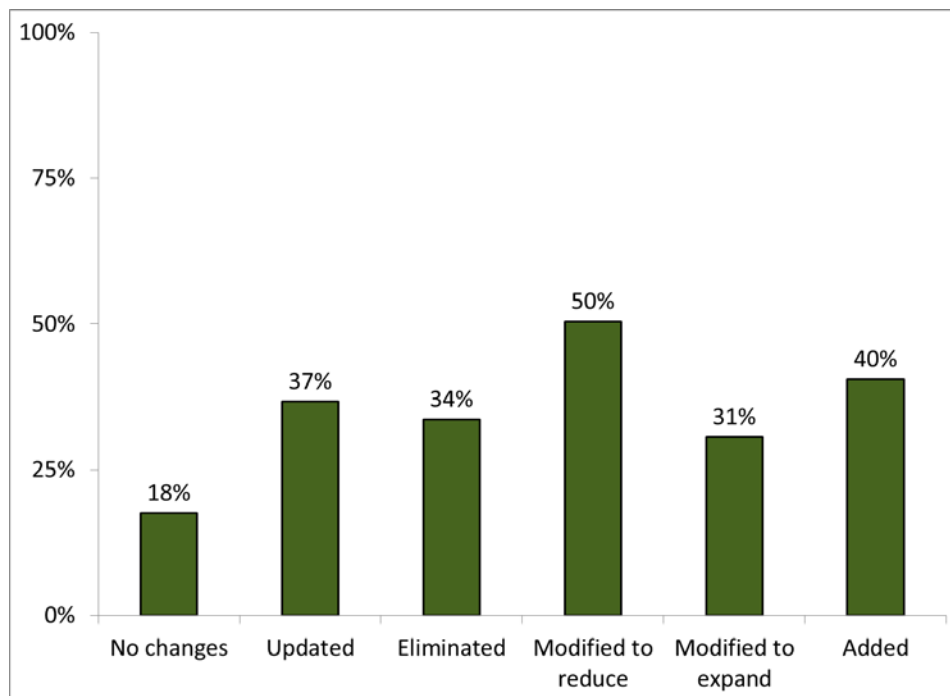
	Low	High	Average
<i>How Many People at Your School Used the ISIR Analysis Tool?</i>	1	12	2.14
<i>How Many People at Your School Were (or will be) Involved in Setting Selection Criteria?</i>	1	14	4.37

Source: Quality Assurance Program School Survey 2012-13 N = 131.

After analysis is conducted using the ISIR Analysis Tool, QA Schools develop their own procedures for verification instead of following federally prescribed verification of information reported on the FAFSA. The number of people at QA Schools who were (or will be) part of the decision making process in setting selection criteria was more than double the number using the ISIR Analysis Tool. More than four people were involved in this process on average. This could be because a team approach is used to review the analysis and make decisions, therefore, involving a greater number of staff from different areas in the financial aid office.

The survey asked schools to describe the changes made to their verification selection criteria between the 2012–13 and 2013–14 award years. **Figure 9** indicates one-half the schools modified the criteria to reduce the number of records selected. Forty percent of the schools indicated that they added one or more completely new criteria, and roughly one-third indicated they eliminated, modified or updated one or more criteria. Note that only 18 percent of schools made no changes to the criteria between award years. The responses sum to greater than 100 percent because some schools modified their criteria in multiple ways.

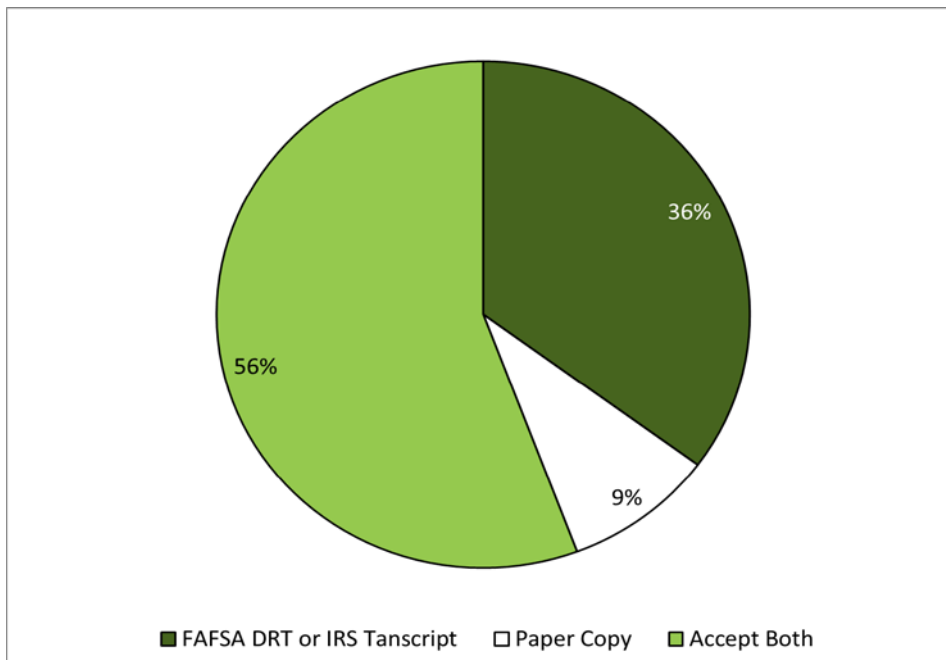
Figure 9: Percent of QA Schools Reporting Types of Change to their School Verification Criteria



Source: Quality Assurance Program School Survey 2012-13 N = 131.

The survey asked QA Schools to best describe how they will document adjusted gross income and federal taxes paid for aid applicants selected by school verification selection criteria in AY 2013–14. **Figure 10** illustrates the variety of approaches QA Schools used to document AGI and Federal Taxes Paid. More than one-half of the respondents indicated they accept the IRS Data Retrieval Tool, an IRS tax transcript, or a paper tax return. Greater than one-third of QA Schools only accept documentation directly from the IRS, either using the IRS DRT or tax transcript. Another nine percent of QA Schools have found through their analysis that the only way they can document the total financial circumstances of an applicant’s family is to collect the paper tax return and applicable schedules. This small minority of QA Schools are not convinced that data provided through the IRS DRT or supplied on the tax transcript provides enough information to determine a student’s eligibility for Title IV and other need-based aid.

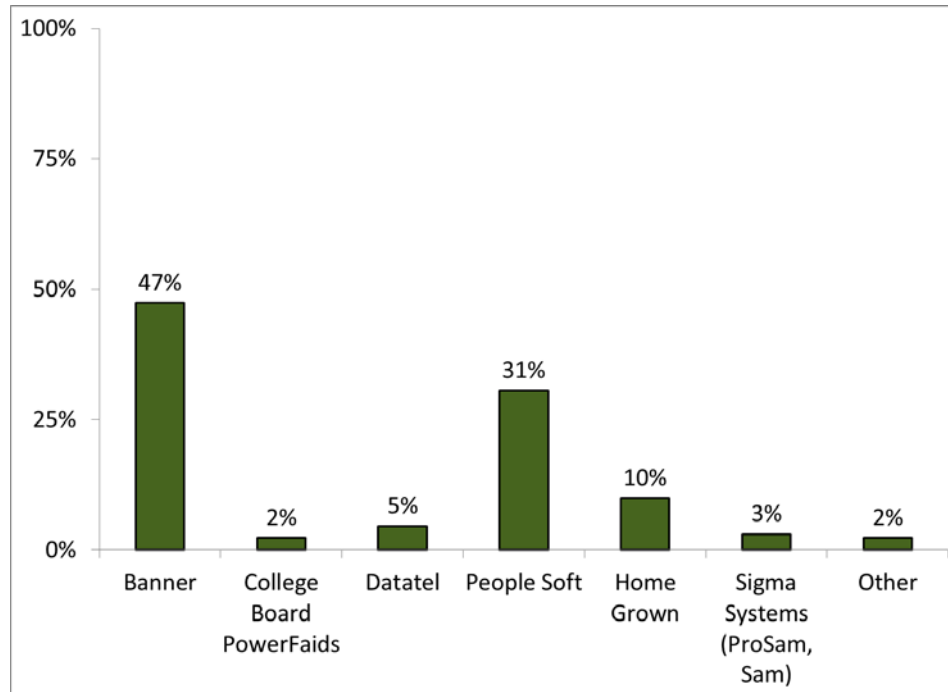
Figure 10: Percentage of Quality Assurance Schools Reporting Approaches for Documenting Adjusted Gross Income and Federal Taxes Paid



Source: Quality Assurance Program School Survey 2012-13 N = 131.

A new question was added to the survey this year that asked QA Schools what business management software they used to process financial aid applications. **Figure 11** presents a distribution of the responses.

Figure 11: Business Management Software Used by Quality Assurance Schools

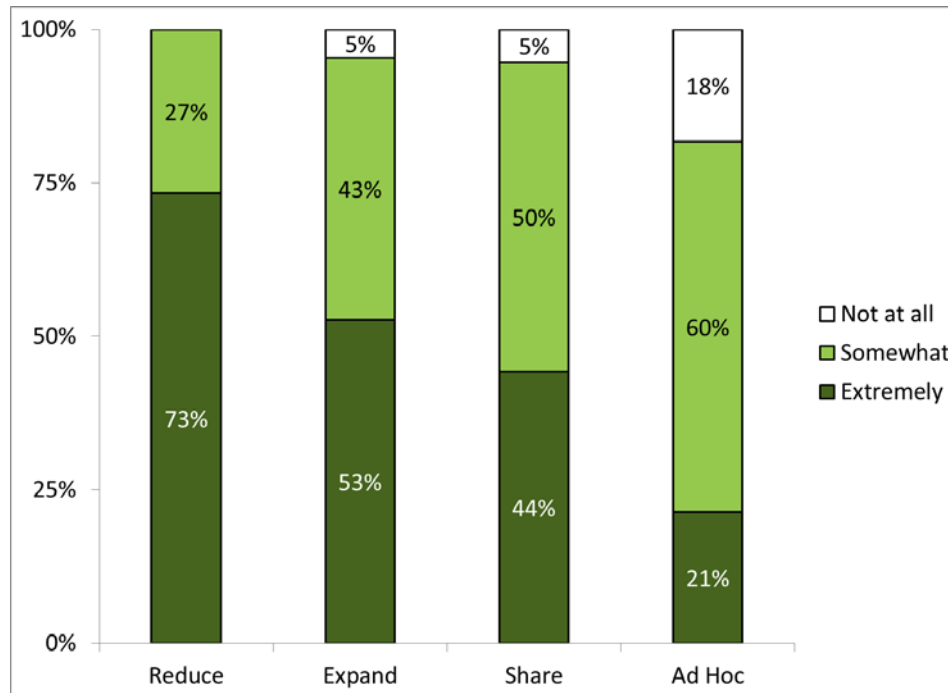


Source: Quality Assurance Program School Survey 2012-13 N = 131.

Nearly one-half of QA Schools use Banner and about one-third use People Soft. These two software products are the most commonly used among QA Schools. A small percentage (ten) of schools indicated they use systems they have developed in-house (“home grown”) to process aid, while a handful of schools indicated they use other software programs.

Four other new items added to the survey in AY 2012–13 focused on the level of interest QA Schools had in the continuation of analyzing changes to selection criteria (reduce or expand), the level of interest in communicating with other schools to share verification ideas and best practices, and interest in participating in ad hoc studies with FSA. **Figure 12** presents the responses.

Figure 12: Quality Assurance Schools’ Level of Interest in Future Activities



Source: Quality Assurance Program School Survey 2012-13 N = 131.

Nearly all of the respondents indicated that they were “extremely” or “somewhat” interested in continuing to analyze changes in ISIR data that would lead to a reduction or expansion in scope of current criteria. Almost all schools were also “somewhat” or “extremely” interested in communicating with other schools participating in the QA Program to share ideas and practices about which students to select and what documentation to require. There was less interest among schools in participating in ad hoc studies with FSA (e.g., the IRS Verification Study in fall 2012) to inform policy questions. The percentage of schools “not at all” interested (18 percent) in participating in ad hoc studies was nearly as high as the percentage “extremely” interested (21 percent). The majority of schools were only “somewhat” interested in going beyond improving upon their own school verification efforts. While QA Schools continue to maintain a high level of interest in analyzing their ISIR data and sharing their findings with fellow QA Schools, only a minority of QA Schools are eager to participate in ad hoc studies with FSA. This is not surprising as involvement in ad hoc studies would involve more work for staff and require additional resources.

Conclusion

Only 141 schools currently participate in the QA Program, the majority of which are large, four-year public or four-year private schools. With average enrollments above 22,000, QA Schools collectively disbursed more than ten cents out of every Pell Grant dollar awarded during the 2010–11 award year, the most recent year for which complete award data are available by school. Therefore, it remains important to monitor the effectiveness and efficiency of QA School verification efforts as long as the program determines the accuracy of so many need-based financial aid awards. However, this homogenous set of schools does not lend itself to further generalizable conclusions or actions.

Appendix: Survey Questions

This appendix lists the questions from the survey of schools participating in the QA Program during the spring of 2013. Basic information about how the responses were collected is provided after the question in italics.

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0045. The time required to complete this information collection is estimated to average thirty minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, D.C. 20202-4700. **If you have comments or concerns regarding the status of your individual submission of this form, write directly to:** Anne Tuccillo, 830 First Street, N.E., Room 83G2, Washington, D.C. 20202.

1. Name of Institution: *(drop down menu of participating schools)*

2. Your School's OPE ID: *(drop down menu of participating schools)*

3. How useful did you find the MLM training “What’s New with the ISIR Analysis Tool and Uploading Process for 2012-2013” (October 4, 2012)? *(radio button, one and only one)*

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful
- I was not able to attend this session and have not yet reviewed the material online

4. How useful did you find the MLM training “QA Verification Profiles” (November 1, 2012)? *(radio button, one and only one)*

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful
- I was not able to attend this session and have not yet reviewed the material online

5. How useful did you find the MLM training “The Pell Improper Payment Report” (November 14, 2012)? *(radio button, one and only one)*

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful
- I was not able to attend this session and have not yet reviewed the material online

6. How useful did you find the MLM training “QA Requirements for the FSA Assessments: Find it, Fix it, Enhance Compliance” (December 10, 2012)? *(radio button, one and only one)*

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful
- I was not able to attend this session and have not yet reviewed the material online

7. How useful did you find Session 45: Quality Assurance Program during the FSA conference in Orlando?

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful
- I was not able to attend this session and have not yet reviewed the material online

8. Which of the reports available in the ISIR Analysis Tool did your school use in your analysis of 2012-13 data? Check all that apply? *(check box, one or more)*

- Sample Summary
- Verification Summary
- Field Change
- Pell Eligibility by Dependency Status
- Student Listing
- Student Detail
- Field Increments
- Quality Assurance Listing
- Verification Tracking Flags
- EFC Impact Analysis
- Verification and Change By Dependency Status (New in 2012-13)
- Additional Statistics (New in 2012-13)
- Pell Improper Payments (New in 2012-13)
- I have not yet used the ISIR Analysis Tool to analyze 2012-13 data

9. Overall how useful do you find the ISIR Analysis Tool? *(radio button, one and only one)*

- Very useful
- Somewhat useful
- No Opinion
- Not very useful
- Not at all useful

10. How many people at your school used the ISIR Analysis Tool during this award year (2012-13)? *(text box, 2 digits)*

11. How many people at your school were (or will be) part of the decision making process in setting your school’s selection criteria for the 2013-14 award year? *(text box, 2 digits)*

12. Which of the following apply to the changes your school made to its verification selection criteria between the 2012-13 and 2013-14 award years? (check box, one or more)

- We made no changes to our school verification selection criteria between 2012-13 and 2013-14
- We updated one or more criteria to reflect changes elsewhere in the aid awarding process (e.g., changes to the FAFSA, Pell Grant table, institutional award criteria)
- We completely eliminated one or more of our selection criteria
- We modified previous criteria in order to reduce the number of records selected, eliminating records that analysis suggests are unlikely to experience a meaningful change in aid eligibility
- We modified previous criteria in order to increase the number records selected, adding records that analysis suggests are likely to experience a meaningful change in aid eligibility
- We added one or more completely new school verification selection criteria

13. From the descriptions below please select the one that best describes how your school is documenting Adjusted Gross Income (AGI) and Federal Taxes Paid for the aid applicants selected by your school verification criteria in 2013-14? (radio button, one and only one, open ended if other)

- We require all students to use the IRS retrieval functionality within FAFSA on the Web to confirm the accuracy of tax information or supply an IRS transcript.
- We require all students to supply a paper copy of the tax return.
- We require students to either use the IRS retrieval functionality within FAFSA on the Web to confirm the accuracy of tax information, supply an IRS transcript, or supply a paper copy of the tax return.
- Other [Please describe] (text box, 1000 characters)

14. What type of business management software does your school use to process financial aid applications?

- Banner
- College Board's PowerFAIDS
- Datatel
- Jenzabar
- PeopleSoft
- Home grown
- Other [Please identify] (text box, 100 characters)

15. How interested is your school in continuing to analyze changes among the ISIRs from students that meet our existing school criteria to identify ways to reduce the scope of our verification by eliminating types of students who do not need to be verified?

- Extremely
- Somewhat
- Not at all

16. How interested is your school in continuing to analyze changes applying federal documentation detect in the ISIR data of students drawn into a random sample to identify ways to expand the scour of our verification by adding types of students that need to be verified and are currently not being selected.

- Extremely
- Somewhat
- Not at all

17. How interested would your school be in communicating with other schools participating in QA Program to share ideas and practices about which students to select for verification and what types of documentation to require?

- Extremely
- Somewhat
- Not at all

18. How interested would your school be in participating in ad hoc studies with FSA, such as the IRS Verification Study, to inform policy questions?

- Extremely
- Somewhat
- Not at all

19. Please indicate the two Federal Student Aid (FSA) assessments or activities your school will complete during the 2013-14 award year.

- 19a: Open ended response (*text box, 500 characters*)
 - 19b: Open ended response (*text box, 500 characters*)
-