

**COMPUTER MATCHING AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF EDUCATION AND
THE DEFENSE MANPOWER DATA CENTER OF
THE U.S. DEPARTMENT OF DEFENSE
DoD CMA #14**

I. INTRODUCTION

This computer matching agreement (CMA) is entered into by the U.S. Department of Education (ED) and the Defense Manpower Data Center (DMDC) of the U.S. Department of Defense (DoD) (the “Agencies”) in accordance with the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988 (Pub. Law 100-503) and the Computer Matching and Privacy Protection Amendments of 1990 (Pub. Law 101-508) (Privacy Act) (5 U.S.C. § 552a); the Office of Management and Budget (OMB) Final Guidance Interpreting the Provisions of Pub. Law 100-503; the Computer Matching and Privacy Protection Act of 1988 (54 FR 25818, June 19, 1989); and OMB Circular A-108, Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act (81 FR 94424, December 23, 2016). The Privacy Act requires agencies involved in any matching program covered by the Privacy Act to execute a written agreement specifying the terms and conditions under which the matching program will be conducted, including several procedural requirements. This CMA provides for a matching program between the ED system of records Aid Awareness and Application Processing (AAAP), the DoD Defense Enrollment Eligibility Reporting System (DEERS) data file extracts, and the DoD DMDC Data Base data file extracts.

II. PURPOSE, AUTHORITY AND DEFINITIONS

The purpose of this CMA is to fulfill the requirements of section 473(b)(3)(A) of the Higher Education Act of 1965, as amended (HEA) (20 U.S.C. § 1087mm(b)(3)(A)) (and section 401(c) of the HEA following FAFSA Simplification Act implementation), which requires the Secretary of Defense to provide the Secretary of Education with information to identify Title IV, HEA program assistance applicants who are children whose parent or guardian was a member of the Armed Forces of the United States (U.S.) and died as a result of performing U.S. military service in Iraq or Afghanistan after September 11, 2001. Under the provisions of sections 473(b) and 420R of the HEA (20 U.S.C. § 1070h), such persons may be eligible for increased amounts of student assistance authorized under Title IV, HEA. Following implementation of the FAFSA Simplification Act on July 1, 2024, Sections 473(b) and Section 420R of the HEA (20 U.S.C. § 1070h) will be replaced by Section 401(c). The intention of this CMA is to match applicants seeking eligibility for the DoD Iraq Afghanistan Service Grant (IASG) only through Award Year (AY) 2023-2024. The period between July 1 and September 30, 2024, will only be for “reconciliation” transactions for AY 2023-2024 applicants, who are subject to the pre-FAFSA Simplification Act requirements of the HEA. DoD is the lead contact agency for information related to military service records and those records of service member dependents and, as such, provides the required data to ED.

Definitions:

- A) “DEERS” is the Defense Enrollment Eligibility Reporting System.
- B) “Dependent’s Benefit File” is a data file extract from DEERS that contains the dependent’s information.
- C) “DMDC” is the Defense Manpower Data Center.
- D) “DMDC 01” is the System of Records Notice entitled, “Defense Manpower Data Center Data Base.”
- E) “DMDC 02” is the System of Records Notice entitled, “Defense Enrollment Eligibility Reporting Systems (DEERS).”
- F) “FSA” means ED’s Office of Federal Student Aid.
- G) “Recipient Agency,” as defined by the Privacy Act (5 U.S.C. §552a (a)(9)), means the agency receiving records contained in a system of records from a source agency for use in a matching program. The recipient agency for purposes of this CMA is ED.
- H) “Source Agency,” as defined by the Privacy Act (5 U.S.C. §552a (a)(11)), means any agency which discloses records contained in a system of records to be used in a matching program, or any State or local government, or agency thereof, which discloses records to be used in a matching program. The source agency for purposes of this CMA is DoD.
- I) The “Aid Awareness and Application Processing” (AAAP) is an ED system of records which contains applicants’ FAFSA data elements that are matched against the DoD Database Table to identify Title IV, HEA program assistance applicants who meet the qualifications for increased Title IV, HEA program assistance pursuant to sections 473(b) and 420R of the HEA (prior to FAFSA Simplification Act implementation on July 1, 2024) and section 401(c) of the HEA (following FAFSA Simplification Act implementation).
- J) The “Central Processing System” or “CPS” is the ED system that receives and stores data from students who complete the Free Application for Federal Student Aid (FAFSA) and from other FSA systems and other Federal Agencies to determine each applicant’s general eligibility for Title IV, HEA program assistance, including the Federal Pell Grant.
- K) The “Common Origination and Disbursement” or “COD” system is the ED system used to determine and validate applicant eligibility for Title IV, HEA program assistance and the amounts and types of Title IV, HEA program assistance that an applicant will receive.

L) The “CPS DoD Database Table” is the area in the CPS in which the DEERS file data is entered and stored. The AAAP is matched with the table each business day to identify Title IV, HEA program assistance applicants who meet the qualifications for increased Title IV, HEA program assistance pursuant to sections 473(b) and 420R of the HEA (prior to FAFSA Simplification Act implementation on July 1, 2024) and section 401(c) of the HEA (following FAFSA Simplification Act implementation).

III. JUSTIFICATION AND EXPECTED RESULTS

ED and DoD have determined that a matching program is the most efficient, expeditious, and effective means of obtaining and processing the information needed by ED to identify applicants who are children of military personnel who died as a result of performing U.S. military service in Iraq or Afghanistan after September 11, 2001. DoD will provide, from DoD’s DEERS system, a monthly file to ED containing a list of individuals who died as a result of performing military service in Iraq or Afghanistan after September 11, 2001, and their dependent’s names and details. Specifically, the file will contain the dependent’s name, Social Security number (SSN), and date of birth, as well as the date of death of the dependent’s parent or guardian who died as a result of performing qualified military service.

ED will use the DoD file to identify Title IV, HEA program assistance applicants who meet the qualifications for increased Title IV, HEA program assistance pursuant to sections 473(b) and 420R of the HEA (prior to FAFSA Simplification Act implementation on July 1, 2024) and section 401(c) of the HEA (following FAFSA Simplification Act implementation).

ED will put an action flag on the matched FAFSAs housed in CPS indicating that a DoD match is a qualified applicant. The FAFSAs and supporting information will flow from CPS to the COD system to determine the amounts and types of Title IV, HEA program assistance that an applicant will receive. Similarly, FAFSAs with the DoD flag are also shared with a qualified applicant’s school(s) in the aid package formulation and disbursement processes.

Because of the number of individuals who apply for Title IV, HEA program assistance (namely, more than 18.5 million annually), an automated matching program is the only practical method to identify applicants who may be eligible for increased amounts of Title IV, HEA program assistance.

This CMA will allow both ED and DoD to accomplish their statutory mandates under the HEA. There are no other data sources available with the information needed to comply with the legal requirements. The use of computer technology to transfer data between DoD and ED is faster and more efficient than the use of any manual process.

Attached is a cost-benefit analysis (CBA) for the 2021-22 academic year, adjusted for three years of inflation since the previous CBA, and demonstrating the benefit of using the matching program. The cost of running the matching program was \$23,222, but the total quantifiable benefit to recipients is estimated to be \$610,805 (See Appendix A: Cost-Benefit Analysis).

IV. RECORDS DESCRIPTION

A. Records that will be matched:

(1) ED systems of records:

- (a) “Aid Awareness and Application Processing” (18-11-21), published in the *Federal Register* at 87 FR 56026 (September 13, 2022) and available at <https://www.federalregister.gov/documents/2022/09/13/2022-19890/privacy-act-of-1974-system-of-records>. Routine use 1(a) applies to this CMA. Note: The CPS will process data from the FAFSA for applicants seeking eligibility for the DoD IASG only through Award Year 2023-2024. The period between July 1 and September 30, 2024, will only be for “reconciliation” transactions for AY 2023-2024 applicants, who are subject to the pre-FAFSA Simplification Act requirements of the HEA. This CMA will not be used for applicants after AY 2023-2024.
- (b) “Common Origination and Disbursement (COD) System” (18-11-02), last published in full in the *Federal Register* on September 13, 2022 (87 FR 56015) and available at <https://www.federalregister.gov/documents/2022/09/13/2022-19888/privacy-act-of-1974-system-of-records>. Routine use 1(a) applies to this CMA. (ED will disclose the data received from DoD to the COD system of records to determine the amounts and types of Title IV, HEA program assistance that an applicant will receive.)

(2) DoD systems of records:

- (a) DMDC 01, Defense Manpower Data Center Data Base, last published in the *Federal Register* on May 27, 2022, 87 32145. Routine use Z applies to this CMA. (See <https://www.federalregister.gov/documents/2022/05/27/2022-11484/privacy-act-of-1974-system-of-records>.)
- (b) DMDC 02 DoD, Defense Enrollment Eligibility Reporting System (DEERS), last published in the *Federal Register* on May 31, 2022, 87 32384. Routine use “g.3.” applies to this CMA. (See <https://www.federalregister.gov/documents/2022/05/31/2022-11610/privacy-act-of-1974-system-of-records>.)

- B. Using the DMDC 01 system of records (DMDC Data Base), DoD will identify deceased service members who meet the definition in sections 473(b) and 420R of the HEA (prior to FAFSA Simplification Act implementation on July 1, 2024) and section 401(c) of the HEA (following FAFSA Simplification Act implementation). (Note: As noted above, the intention of this CMA is to match applicants seeking eligibility for the DoD IASG only through Award Year 2023-2024. The period between July 1 and September 30, 2024, will only be for “reconciliation” transactions for AY 2023-2024 applicants, who are subject to the pre-FAFSA Simplification Act requirements of the HEA). DoD will then

match those records against the DMDC 02 system of records (DEERS) to obtain the data on any children of those deceased service members for submission to ED.

To identify financial aid applicants who may be eligible for increased amounts of Title IV, HEA program assistance, ED will match the names and SSNs received from DoD with information contained within the AAAP using IBM's Transmission Communication Protocol/Internet Protocol (TCP/IP) capabilities via File Transfer Protocol (FTP) using the FIPS-197 (or FIPS 140-3) publications standards at a minimum of the 128 Advanced Encryption Standard (AES) level.

- C. DoD will provide the following data elements from the DoD databases to ED as a part of the matching program:
- (1) Dependent's Name – extracted from DEERS;
 - (2) Dependent's Date of Birth – extracted from DEERS;
 - (3) Dependent's SSN – extracted from DEERS;
 - (4) Parent or Guardian's Date of Death – extracted from DMDC Data Base.
- D. Number of records that will be matched: DoD reports that about 6,643 dependents (those with the DEERS code of AB (Child), AF (Stepchild), and BB (Ward)) of deceased service members are in the file as of January 1, 2023, and thus, would be included in the files sent to ED. As new children are added to the DEERS system, those additional records will be covered under this CMA, as applicable.
- E. Duration of the CMA: This CMA may remain in effect for a period not to exceed thirteen (13) months commencing as stated in section XII, Effective Date.

V. **NOTICE PROCEDURES**

ED agrees to publish in the *Federal Register* a notice of this matching program, as specified in the Privacy Act and OMB Circular A-108. If neither agency wishes to extend this CMA, it should notify the other of its intention at least 90 days before the expiration of the CMA. It will be the responsibility of ED as the matching agency to draft the renewal. The agencies may modify this CMA at any time with the consent of each agency. All such modifications must be in writing, satisfy the requirements of the Privacy Act, and must be approved by each agency's respective Data Integrity Board.

VI. **VERIFICATION OF MATCH INFORMATION**

A. Verification of Match Procedures

The OMB Final Guidelines for the Privacy Act (Final Guidance Interpreting the Provisions of Pub. Law 100-503, the Computer Matching and Privacy Protection Act of 1988, 54 FR 25818,

June 19, 1989) state that the type of verification procedures used for a particular matching program depend upon the purpose of that program. This match will identify the Title IV, HEA applicants who are eligible for increased amounts of Title IV, HEA program assistance because they are dependents of military personnel who died as a result of performing U.S. military service in Iraq or Afghanistan after September 11, 2001. ED and DoD will ensure that they develop verification procedures that yield confirmatory data and provide ED with a reasonable basis for taking positive action. This includes full updates to the file provided, which helps capture deaths that were erroneously classified as either performing or not performing military service in Iraq or Afghanistan, as well as DoD providing record-level lookup assistance when needed by ED to determine the validity of a dependent's claim.

The qualifying deceased service member's record in the DMDC 01 system and the corresponding qualified dependent's record in the DMDC 02 system will be reviewed and verified by DoD before the record is sent to ED.

For each financial aid applicant for whom a match occurs, ED will inform the schools listed on the student's financial aid application, that the applicant is eligible to receive additional Title IV, HEA assistance due to the circumstance of their parent's or guardian's death as a result of performing military service in Iraq or Afghanistan after September 11, 2001.

B. Notice and Opportunity to Contest

This CMA identifies students who are eligible for the benefit of increased Title IV, HEA program assistance and not a denial of benefits. As stated earlier, DoD is the Source Agency for the information required to identify individuals who are eligible. Therefore, the only contestant of this match would be a student who claims they meet the eligibility criteria under section 473(b) and 420R of the HEA (prior to FAFSA Simplification Act implementation on July 1, 2024) and section 401(c) of the HEA (following FAFSA Simplification Act implementation) (note: as noted above, the intention of this CMA is to match applicants seeking eligibility for the DoD IASG only through Award Year 2023-2024. The period between July 1 and September 30, 2024, will only be for "reconciliation" transactions for AY 2023-2024 applicants, who are subject to the pre-FAFSA Simplification Act requirements of the HEA), but is not in the DoD file. A non-matched student who believes that they meet the criteria for increased amounts of aid must so inform their school, and the school must refer the case to ED no later than the end of the relevant award year.

If the applicant makes an inquiry, within the specified timeframe, regarding a non-match, ED will obtain DoD's assistance to determine if the student's circumstances meet the statutory requirements. ED will inform the student of the results of the DoD determination.

If the applicant does not make an inquiry to ED within the specified time regarding their eligibility, ED's initial finding will be upheld as final.

VII. DISPOSITION OF MATCHED ITEMS

ED will maintain the monthly DoD file for no more than 180 days after receipt.

ED will maintain all records matched under this CMA in accordance with the requirements of ED Records Schedule 072, FSA Application, Origination, and Disbursement Records (DAA-0441-2013-0002) (ED 072). (ED is in the process of reviewing and proposing amendments to ED 072 for the National Archives and Records Administration's consideration and will not destroy records covered by ED 072 until such amendments are in effect, as applicable.)

VIII. SECURITY AND PRIVACY SAFEGUARDS

ED and DoD will comply with all Federal requirements relating to information security, information systems security, and privacy, including requirements of the Federal Information Security Management Act of 2002, as amended by the Federal Information Security Modernization Act of 2014 (FISMA), the E-Government Act of 2002, OMB memoranda related to privacy, and the most current version of National Institute of Standards and Technology (NIST) directives in the Special Publications (SP) 800 series (e.g., NIST SP 800-53, Rev. 55, and NIST SP 800-37, Rev. 2). Specific security requirements include, but are not limited to, the following:

- A. Data must be protected at the Moderate system certification criticality level according to Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems.
- B. ED and DoD must have completed the Security Assessment and Authorization (SA&A) process (formerly called certification and accreditation) within the last 3 years, using the required NIST guidance, and have an active Authorization to Operate (ATO) with the appropriate signatures.
- C. Electronic files must be encrypted while in transit using the FIPS 140-3 standard and are interoperable with ED's personal identity verification logical access control card (PIV LAC) for government employees and support contractors authorized to have an HSPD-12 card (HSPD-12 is the Homeland Security Presidential Directive #12, "Policy for a Common Identification Standard for Federal Employees and Contractors").
- D. Electronic files must be encrypted while in transit, with the use of FIPS 140-3 product(s) that provide a secure tunnel between DoD and FSA sites.
- E. ED and DoD information systems must reside behind a Trusted Internet Connection (TIC).

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. ED and DoD agree that they are responsible for oversight and compliance of their own contractors and agents. ED and DoD each reserve the right to conduct on-site inspections of any contractor or agent who has access to matched data in order to monitor compliance with FISMA regulations during the lifetime of this CMA.

ED and DoD will also comply with the personally identifiable information (PII) breach reporting and security requirements as required by OMB Memorandum M-17-12, "Preparing for and Responding to a Breach of Personally Identifiable Information." ED and DoD also agree to report information security incidents, when the confidentiality, integrity, or availability of a federal information system of an Executive Branch Agency is potentially compromised, to the National Cybersecurity and Communications Integration Center (NCCIC)/U.S. Cybersecurity and Infrastructure Security Agency (CISA) with the required data elements, as well as any other available information, within one hour of being identified by the agency's top-level Computer Security Incident Response Team (CSIRT), Security Operations Center (SOC), or information technology department.

In addition, the agency experiencing the loss of PII will notify the other agency's Systems Security Contact named in section XIII of this CMA. If ED is unable to speak with the DoD Systems Security Contact within one hour or if for some other reason notifying the DoD Systems Security Contact is not practicable (e.g., it is outside of the normal business hours), ED will contact the DoD/DMDC Security and Incident Response Team at: dodhra.dodc-mb.dmdc.list.ir-team@mail.mil or the DOD/DMDC Privacy office at: dodhra.dodc-mb.dmdc.list.privacy-office@mail.mil. If DoD is unable to speak with ED's Systems Security Contact within one hour, DoD will contact the Department of Education Security Operations Center (EDSOC), (202) 245-6550, edsoc@ed.gov.

Using established criteria, if the agency that experienced the breach of PII determines that the risk of harm to affected individuals or to the agency requires notification to affected individuals and/or other remedies, that agency will carry out these remedies without cost to the other agency.

IX. RECORDS USE, DUPLICATION, AND REDISCLOSURE RESTRICTIONS

ED agrees not to use or disclose any records received from DoD pursuant to this CMA, except as required by law or as essential to the conduct of the matching program. However, the information may be used for necessary follow-up action as well as to support criminal investigations, prosecutions, or other law enforcement activity, if the match uncovers activity that warrants such a result.

- A) The Recipient Agency will retain records received from the Source Agency under this CMA as described in Section VII of this CMA.
- B) The data exchanged under this CMA will be used and accessed only for the purpose of determining eligibility for Title IV, HEA program assistance, except as required by law.
- C) Neither DoD nor ED will extract information from the electronic data files concerning the individuals that are described therein for any purpose not stated in this CMA.
- D) Except as provided in this CMA, neither DMDC nor ED will duplicate or disseminate the data produced without the other agency's permission. Neither agency shall give

such permission unless the re-disclosure is required by law or essential to the conduct of the matching program. In such cases, DMDC and ED will specify in writing which records are being disclosed and to whom and the reasons that justify such re-disclosure.

X. RECORDS ACCURACY ASSESSMENT

DoD data is obtained directly from military personnel or from the system for the branch of service (e.g., Army, Navy, etc.) with which the sponsor is affiliated. The data is reviewed for accuracy prior to inclusion in the DMDC Data Base (DMDC 01) and DEERS (DMDC 02) systems. DoD currently estimates that the information within the Dependent's Benefits File, a file that contains the data elements specified in section IV.C.(1) through IV.C.(4) of this CMA, is 99 percent accurate to what is reported by the Services.

The personal identification data (SSN, name, and date of birth) contained in ED's Aid Awareness and Application Processing (18-11-21) system of records being used in this matching program, are provided to ED by applicants for Title IV, HEA program assistance and verified with the Social Security Administration. It is estimated that the identifier information is virtually 100 percent accurate.

ED and DoD have reviewed the records subject to this CMA and concluded that the records are being maintained to a standard of accuracy that ensures fairness in any eligibility determination made on the basis of this record.

XI. COMPTROLLER GENERAL

The Government Accountability Office (Comptroller General) may have access to all ED and DoD records as necessary in order to verify compliance with this CMA.

XII. DURATION OF THE CMA

A. Effective Date

The life of this CMA is estimated to cover the 13-month period from September 1, 2023, through September 30, 2024, after which the CMA will terminate. However, the effective date of this CMA and the date when the match may begin shall be whichever date is the latest of the following dates: (1) September 1, 2023; or (2) at the expiration of the 30-day public comment period following ED's publication of notice of this matching program in the *Federal Register*, assuming that ED receives no public comments or receives public comments but makes no changes to the Matching Notice as a result of the public comments, or 30 days from the date on which ED publishes a Revised Matching Notice in the *Federal Register*, assuming that ED receives public comments and revises the Matching Notice as a result of public comments.

B. Termination and Modification of CMA

This CMA may be terminated by either party upon written notice to the other agency. The termination shall be effective 90 days after the date of such notice, or a later date specified in the notice, so long as such later date does not exceed the original completion date or, if extended, the extended expiration date of the match. This CMA may be terminated at any time with the consent of both agencies.

The CMA may be amended at any time by a written modification that satisfies both agencies; is approved by the Data Integrity Boards; and if necessary, is, in conformance with OMB Circular A-108, provided to Congress and OMB for review, and properly published in the Federal Register at least 35 days before its implementation.

XIII. PERSONS TO CONTACT

ED Contacts:

A. Agreement Issues:

Gerard Duffey
Management and Program Analyst
U.S. Department of Education
Federal Student Aid
Student Experience and Aid Delivery
Telephone: (215) 656-3249
Email: Gerard.Duffey@ed.gov

B. Computer Matching Issues:

James Barthmaier, Application Systems Supervisor
U.S. Department of Education
Federal Student Aid
830 First Street, NE
UCP-63E2
Washington, DC 20202-5454
Telephone: (202) 377-3926
Email: James.Barthmaier@ed.gov

C. Security and Privacy Issues:

Davon Tyler, FSA Chief Information Security Officer
U.S. Department of Education
Federal Student Aid
Technology Directorate
830 First Street, NE
Room 102G1
Washington, DC 20202-5454
Telephone: (202) 264-9754

Email: davon.tyler@ed.gov

ED Security Operations Center (EDSOC)

Telephone: (202) 245-6550

DoD Contacts:

A. Data Integrity Board Issues:

Rahwa A. Keleta
Chief, Privacy and Civil Liberties Division
Privacy, Civil Liberties, and Freedom of Information Directorate
Office of the Assistant to the Secretary of Defense
for Privacy, Civil Liberties, and Transparency
Department of Defense
4800 Mark Center Drive
Alexandria, VA 22350

Email: Rahwa.a.keleta.civ@mail.mil

B. DMDC Privacy Issues:

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Privacy Branch Chief
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Defense Manpower Data Center
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C. DMDC Security and Incident Response:

Donna Naulivou
Branch Chief, Operations
Cyber Security Division
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400 Gigling Road
Seaside, CA 93955

Email: donna.m.naulivou.civ@mail.mil

D. DMDC POC:

Jared Jungwirth
IT Specialist



Data Management Division
Defense Manpower Data Center
400 Gigling Road
Seaside, CA 93955

Email: jared.m.jungwirth.civ@mail.mil

XIV. SIGNATURES

The signatories below warrant and represent that they have the competent authority on behalf of their agency to enter into the obligations set forth in this CMA.




U.S. DEPARTMENT OF DEFENSE

YUSEFZADEH.  Digitally signed by YUSEFZADEH.SAM.
SAM.  Date: 2023.06.14 08:18 34 -04'00'

Sam Yousefzadeh
Deputy Director
Department of Defense/DMDC

Date

U.S. DEPARTMENT OF EDUCATION

RICHARD  Digitally signed by RICHARD
CORDRAY  Date: 2023.06.14 23:53:47
CORDRAY  -04'00'

Richard Cordray
Chief Operating Officer
Federal Student Aid
U.S. Department of Education

Date

XIV. SIGNATURES

**APPROVAL BY THE DATA INTEGRITY BOARDS OF
THE U.S. DEPARTMENT OF DEFENSE AND
THE U.S. DEPARTMENT OF EDUCATION**

In accordance with the certification provided by the agencies of the ongoing matching program, the Data Integrity Boards (DIBs) of both agencies have reviewed and approved this CMA. The DIBs have determined that it is appropriate to compress the process of independently verifying the data that ED receives from DoD and the process of providing the individual with the due process notice of the opportunity to contest the finding of the matching program. The DIBs also have determined that there is a high degree of confidence that the information provided by both Agencies is accurate.

U.S. DEPARTMENT OF DEFENSE

CHUNG.JOO.Y Digitally signed by
CHUNG JOO.Y
Date: 2023.06.26 15:30:32
-04'00'

6/26/2023

Joo Y. Chung
Chairperson
Defense Data Integrity Board
Department of Defense

Date

U.S. DEPARTMENT OF EDUCATION

KEVIN HERMS Digitally signed by KEVIN
HERMS
Date: 2023.06.28 14:30:54
-04'00'

Kevin Herms
Senior Agency Official for Privacy
Chair, Data Integrity Board
U.S. Department of Education

Date

Attachments:

Appendix A: Cost-Benefit Analysis

Appendix A



Cost-Benefit Analysis for Matching Students Identified in the Department of Defense's Defense Manpower Data Center and the Department of Education's Title IV Applicants Award Year 2021-2022 Data

I. INTRODUCTION

The Department of Education (ED) processes Free Application for Federal Student Aid (FAFSA) applications through an automated system known as the Central Processing System (CPS). Over 18.5 million FAFSAs are processed each award year.

ED receives a file containing selected data elements for certain individuals, as specified in the computer matching agreement (CMA), from the Department of Defense's (DoD) Manpower Data Center (DMDC) 02 DoD, Defense Enrollment Eligibility Reporting System (DEERS). This file is matched against the Federal Student Aid Application File in the CPS. When a DoD-provided record matches an ED record in the CPS, ED will notify the school(s) indicated on the student's FAFSA that the applicant may be eligible for a higher amount of Title IV, Higher Education Act (HEA) program assistance.

All of the data for this cost-benefit analysis (CBA) is based on the 24-month application processing cycle of the FAFSA. For students applying for Federal student aid for the 2021-22 award year (October 1, 2020 – September 30, 2022), the FAFSA processing begins three months prior to the beginning of the award year and extends past the end of the award year to allow correction processing. Costs for this CBA analysis were calculated by adjusting the figures in section II. D. of the previous CMA CBA by the Bureau of Labor Statistics combined 3-year inflation rates for 2019 (2.3%), 2020 (1.4%), and 2021 (7.0%) = [10.7% combined 3-year inflation factor], and by applying the annual labor rate for the year in which the labor was performed.

For the purposes of this data match, DoD will send ED an updated data file every month.

II. COSTS

A. Description of ED Process and Frequency for DoD Match Receipt

ED loads the DoD's DEERS information into its CPS to determine which records from DEERS match the Title IV applicant records in the CPS. Information from each subsequent DEERS file from DoD is loaded into the CPS every month. This highly

automated process takes less than an hour per cycle and, therefore, does not represent a significant system processing cost to ED.

B. ED's Central Processing System Cost

The current DEERS file is matched with each FAFSA in the CPS.

- Monthly computer processing cost per DEERS file = \$13.83
(Monthly 2018-19 CBA cost = \$11.43 x [1.21] = \$13.83 (Monthly 2021-22 cost))
 - 24 DEERS files processed @ \$13.83/file = \$331.92
- Total annual ED processing cost: \$332**

C. Administrative Cost: Federal Student Aid (FSA) and ED Staff

FSA (GS13-5 and GS14-5):

GS 13-5 for 120 hours:

120 hours divided equally over 24 months = 5 hours/month

5 x 3 months in 2020 x \$55.75/hour = \$836.25

5 x 12 months in 2021 x \$56.31/hour = \$3,378.60

5 x 9 months in 2022 x \$58.01/hour = \$2,610.45

FSA costs for GS 13-5: \$836.25 + \$3,378.60 + \$2,610.45 = \$6,825.30

GS 14-5 for 20 hours:

20 hours divided equally over 24 months = 0.83 hours/month

0.83 x 3 months in 2020 x \$65.88 = \$164.04

0.83 x 12 months in 2021 x \$66.54 = \$662.74

0.83 x 9 months in 2022 x \$68.55 = \$512.07

FSA costs for GS14-5: \$164.04 + \$662.74 + \$512.07 = \$1,338.85

Office of the General Counsel (OGC) (GS15-5 for 8 hours):

8 hours divided equally over 24 months = 0.33 hours/month

0.33 x 3 months in 2020 x \$77.49 = \$76.72

0.33 x 12 months in 2021 x \$78.27 = \$309.95

0.33 x 9 months in 2022 x \$80.63 = \$239.47

OGC costs: \$76.72 + \$309.95 + \$239.47 = \$626.14

Division of Regulatory Services (DRS) (GS15-5 for 20 hours):

20 hours divided equally over 24 months = 0.83 hours/month

0.83 x 3 months in 2020 x \$77.49 = \$192.95

0.83 x 12 months in 2021 x \$78.27 = \$779.57

0.83 x 9 months in 2022 x \$80.63 = \$602.31

DRS costs: \$192.95 + \$779.57 + \$602.31 = \$1,574.83

Data Integrity Board (DIB) (GS15-5 for 10 hours):

10 hours divided equally over 24 months = 0.42 hours/month

$0.42 \times 3 \text{ months in 2020} \times \$77.49 = \$97.64$
 $0.42 \times 12 \text{ months in 2021} \times \$78.27 = \$394.48$
 $0.42 \times 9 \text{ months in 2022} \times \$80.63 = \$304.78$
 DIB cost: $\$97.64 + \$394.48 + \$304.78 =$ **\$796.90**
Total ED staff cost: **\$11,162**

D. Administrative Cost: DoD Staff

Direct Labor cost: $\$1,997.42 \times [1.21] = \$2,416.88$
 File processing: $\$332.72 \times [1.21] = \402.59
 Coordination: $\$1,664.69 \times [1.21] = \$2,014.27$
 Computer time cost: $\$1,554.50 \times [1.21] = \$1,880.95$
 CPU cost: $\$555.26 \times [1.21] = \671.86
 DoD administrative costs: DMDC Staff DMDC Subtotal: **\$7,386.55**

Preparation of matching agreement:

Action Officer (GS-14-5):

GS 14-5 for 48 hours:

$48 \text{ hours divided equally over 24 months} = 2 \text{ hours/month}$

$2 \times 3 \text{ months in 2020} \times \$65.88 = \$395.28$
 $2 \times 12 \text{ months in 2021} \times \$66.54 = \$1,596.96$
 $2 \times 9 \text{ months in 2022} \times \$68.55 = \$1,233.90$

Action Officer Costs for GS-13-5: $\$395.28 + \$1,596.96 + \$1,233.90 =$ **\$3,226.14**

Office of General Counsel (GS-15-5):

GS-15-5 for 5 hours:

$5 \text{ hours divided equally by 24 months} = 0.21 \text{ hours/month}$

$0.21 \times 3 \text{ months in 2020} \times \$77.49 = \$48.82$
 $0.21 \times 12 \text{ months in 2021} \times \$78.27 = \$197.24$
 $0.21 \times 9 \text{ months in 2022} \times \$80.63 = \$152.39$

Office of General Counsel Costs for GS-15-5: $\$48.82 + \$197.24 + \$152.39 =$ **\$398.45**

DIB Executive Secretary (GS-15-5):

$5 \text{ hours divided equally by 24 months} = 0.21 \text{ hours/month}$

$0.21 \times 3 \text{ months in 2020} \times \$77.49 = \$48.82$
 $0.21 \times 12 \text{ months in 2021} \times \$78.27 = \$197.24$
 $0.21 \times 9 \text{ months in 2022} \times \$80.63 = \$152.39$

DIB Executive Secretary Costs for GS-15-5: $\$48.82 + \$197.24 + \$152.39 = \398.45

DIB Members (8) (GS-15-5):

GS-15-5 for 0.5 hours per member:

0.5 hours divided equally by 24 months = 0.021 hours/month

$0.021 \times 3 \text{ months in } 2020 \times \$77.49 \times 8 \text{ members} = \39.05

$0.021 \times 12 \text{ months in } 2021 \times \$78.27 \times 8 \text{ members} = \157.79

$0.021 \times 9 \text{ months in } 2022 \times \$80.63 \times 8 \text{ members} = \121.91

DIB Members Costs for GS-15-5: $\$39.05 + \$157.79 + \$121.91 = \318.75

DoD administrative costs: DPCLTD Staff DPCLTD Subtotal: $\$4,341.79$

Total DoD cost: $\$11,728$

E. Total ED and DoD Cost

Total receipt and central processing cost	\$332
Total ED admin/staff cost	\$11,162
Total DoD admin/staff cost	\$11,728
Total cost:	\$23,222

III. BENEFITS

By matching the applicant's name, date of birth, and Social Security Number in the DEERS file with the FAFSA records, ED is able to identify applicants who may qualify for a higher amount of Title IV, HEA program assistance who would otherwise not be identified if the matching program did not exist.

Tracking these military dependents will be increasingly difficult in the future because qualified dependents may be applying for this benefit over the next 25 or more years. In view of the large number of Title IV Federal student aid applicants, an automated matching program is the only practical method to identify the military dependents who are eligible for this benefit administered by ED.

For the 2021-2022 award year, it is estimated that about 780 military dependents in the DEERS database were identified as eligible to receive the maximum Pell award of \$6,495 and other Federal student aid program assistance up to their Cost of Attendance (COA). From the 2019 Cohort from the President's FY23 Proposed Budget, the average Federal Pell Grant received for the 2021-2022 academic year, per recipient is \$4,255. We are not quantifying changes in the loan programs for these students because changes in their borrowing behavior are not clear and could involve a shift to grants, a shift between loan types, or a change in institutional choice and no change in borrowing, so the quantified benefit for these recipients will focus on the Pell Grant program.

Historically, a percentage of all students who are eligible for Federal student aid decide not to go to college, or simply fail to enroll at a postsecondary institution. We estimate that these factors reduce the actual number of dependents who receive an award by 50 percent. Therefore, the estimated total eligible military dependents is reduced to 390 (780 x 50%) to represent the number of military dependents who actually received a higher amount of Title IV, HEA program assistance who would otherwise not be identified if the matching program did not exist.

A CPS computer report from January 2023 indicated that approximately 51 percent of the recipients identified already qualified for the maximum Pell Grant, approximately 38 percent were eligible for some Pell Grant below the maximum amount, and the remaining 11 percent qualified for a higher amount of Title IV, HEA program assistance who would otherwise not be identified if the matching program did not exist. Assuming that all would attend full-time, the benefits to military dependents from the match would be \$627,908.

Estimated military dependents already eligible for some Pell Grant who will receive a maximum Pell Grant (390 x 38%):	148
Difference between maximum Federal Pell Grant (\$6,495) and the Average Federal Pell Grant (\$4,255):	x \$2,240
Estimated Benefit:	\$331,520

Estimated military dependents not otherwise identified for a higher amount of Title IV HEA benefits, equal to the maximum Pell Grant (390 x 11%):	43
Maximum Federal Pell Grant:	x \$6,495
Estimated Benefit:	\$279,285

Total benefit to military dependents: \$610,805

IV. COST/BENEFIT RATIO

The ratio of total cost to total benefit is the total cost divided by the total benefit:

Total cost:	\$23,222
Total benefit:	\$610,805
Ratio:	.038