Privacy Impact Assessment
For
Central Processing System
(CPS)/FAFSA on the Web

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1. **System Information. Describe the system** - include system name, system acronym, and a description of the system, to include scope, purpose and major functions.

The Central Processing System (CPS) is the automated system that processes the Free Application for Federal Student Aid (FAFSA). The CPS calculates financial aid eligibility and notifies students and educational institutions of the results of the eligibility calculation. The CPS also performs image and data capture of the paper FAFSA. In addition, the CPS performs mainframe eligibility determination calculations, provides services to Web-based financial aid applications, provides services to personal computer (PC) based financial aid software, prints eligibility documents, and supports Participation Management (PM) for programs under Title IV of the Higher Education Act of 1965, as amended (HEA).

The CPS receives and processes all FAFSA data submitted electronically or in paper format. The CPS processes data reported on the FAFSA using a federal methodology to calculate a student's Expected Family Contribution (EFC). Following processing, ED sends the FAFSA data and EFC to the student, the institutions listed on the FAFSA by the student, and the student's state agency.

2. **Legal Authority. Cite the legal authority to collect and use this data.** What specific legal authorities, arrangements, and/or agreements regulate the collection of information?

Sections 401, 451 and 461 of the HEA (20 U.S.C. 1070a, 1087a, and 1087aa) and Executive Order 9397 as amended by Executive Order 13478 (SSN).

3. **Characterization of the Information. What elements of Personal Identifiable Information (PII) are collected and maintained by the system (e.g., name, social security number, date of birth, address, phone number, etc.)?** What are the sources of information (e.g., student, teacher, employee, university)? How is the information collected (website or paper form)? Is the information used to link or cross-reference multiple databases?

The elements of PII data collected and maintained by the system include but are not limited to:

A. Student (and spouse, if applicable) personal information

Personal information is provided by the student and used to identify the student in the system and to determine if the student meets the eligibility requirements for Federal Student Aid. Personal information collected includes but is not limited to: SSN, name (first, last and middle initial), addresses, dates of birth (DOB), telephone number, driver license number and state of issuance, email address, citizenship status,, marital status, including month and year married, state of legal residency, date of legal residency, high school diploma or its equivalent, if the student is male or female, and, if male, is he registered with Selective Service.

B. Dependency Status

Dependency status questions on the FAFSA determine whether the parent's income and asset information are required on the application. These questions include but are not limited to: student's age, education level, marital status, children and the amount of parental support provided, active duty status, veteran status, and homeless status.

C. Student's Income, Tax Credit and Asset Information

Income tax return information, Adjusted Gross Income (AGI), income tax paid, number of exemptions, income earned from working (wages, salaries, tips) and untaxed income. Asset information includes cash, savings and checking accounts, investments, and the net value of businesses and/or investment farms.

D. Parent Information

The information collected includes highest level of schooling completed, marital status, marital status date (month and year), SSN, last name and first name initial, date of birth, email address, number in household supported by the parent(s), state of legal residence, date parent(s) became legal residents, tax return information, untaxed income information, tax credit information, and asset net worth information.

The information is collected via websites and paper form.

4. **Why is the information collected? How is this information necessary to the mission of the program, or contributes to a necessary agency activity**. Given the amount and any type of data collected, discuss the privacy risks identified (internally and externally) and how they were mitigated.

The information is necessary to the mission of the Department in order to comply with the HEA policies, regulations and statues.

Using the information collected, the CPS creates a unique student record, determines the student's dependency status, calculates the student's EFC, identifies the schools to which the processed record is to be sent, and collects the student's and parent's certification that the information is correct and that the student agrees to comply with federal regulations.

The privacy risks identified include the loss of data, stolen data, identity theft and misuse of data. The Department mitigates these risks through audit logs, access authentication and, security and intrusion detection software. All security vulnerabilities are identified, tracked and migrated through the FSA's Operational Vulnerability Management System (OVMS).

5. **Social Security Numbers - If an SSN is collected and used, describe the purpose of the collection, the type of use, and any disclosures.** Also specify any alternatives that you considered, and why the alternative was not selected.

Yes, the Department collects and uses SSNs to create a unique student record within the CPS. Also, student and parent SSNs are used to verify identity and citizenship status to determine eligibility for federal student aid. There is no alternative to the collection and use of SSNs for verifying a student's or parent's identification and citizenship status. The only exception to this process is for students of Palau, the Federated States of Micronesia and the Martial Islands because they are not issued SSNs. The Department discloses SSNs to the Social Security Administration (SSA) for identification verification.

The Department also may disclose SSNs pursuant to its other computer matching agreements between the Department and other Federal agencies. Further, ED discloses SSNs from this system without the consent of the individual, in accordance with the provisions of the Privacy Act of 1974, such as pursuant to published routine use disclosures.

6. **Uses of the Information**. **What is the intended use of the information?** How will the information be used? Describe all internal and/or external uses of the information. What types of methods are used to analyze the data? Explain how the information is used, if the system uses commercial information, publicly available information, or information from other Federal agency databases.

The information is used to calculate financial aid eligibility of applicants for federal student financial assistance programs authorized by Title IV of the HEA, identify and authenticate users, provide Web-based services to students, parents, and postsecondary institutions, and facilitate FAFSA completion.

Internal uses of the information include the exchange of data between FSA systems to include the National Student Loan Data System (NSLDS), Postsecondary Educational Participants System (PEPS), Student Aid Internet Gateway (SAIG), and Common Origination Disbursement (COD). The exchange of information data with the internal systems provides program monitoring, student tracking, financial allocations, postsecondary institutional controls, and historical records and review.

The publicly available information consists of non-personal identifying information. The information is used for public viewing, congressional and institutional tracking and monitoring, and Title IV program compliance reviews. The publicly available information can be obtained through the Freedom of Information Act (FOIA) request.

CPS uses information from other Federal Agencies to perform identification verification, data validation checks, and application completion.

7. **<u>Internal Sharing and Disclosure</u>. Which internal DoED organizations will the information be shared?** What information is shared? For what purpose is the information shared?

The internal ED organizations that share information include the National Student Loan Data System (NSLDS), Postsecondary Educational Participants System (PEPS), Student Aid Internet Gateway (SAIG), and Common Origination Disbursement (COD).

The information shared is sensitive student level data as it pertains to students applying and receiving Title IV aid from FSA.

The purpose of the information sharing is to perform internal system monitoring, student tracking, payment allocation and historical records and review.

The Department may disclose information in this system without the consent of the individual, in accordance with the provisions of the Privacy Act of 1974, which allow the Department to disclose information internally to those officers and employees who have a need for the record in the performance of their duties.

8. **<u>External Sharing and Disclosure</u>. With what external entity will the information be shared (e.g., another agency for a specified programmatic purpose)?** What information is shared? For what purpose is the information shared? How is the information shared outside of the Department? Is the sharing pursuant to a Computer Matching Agreement (CMA), Memorandum of Understanding (MOU) or other type of approved sharing agreement with another agency?

The CPS shares data with the following external entities: Social Security Administration (SSA), Department of Veterans Affairs (VA), Department of Justice (DOJ), Department of Homeland Security (DHS), and Selective Service System (SSS), and the Internal Revenue Service (IRS). The data consists of personal identifying information that is used for identification verification, data validation checks, and application completion.

CPS/FAFSA on the Web (FOTW) shares information with the Internal Revenue Service (IRS) in order to facilitate an IRS Data Retrieval process. FOTW applicants and/or their parents (users) will be offered a link to the IRS site where the user may elect to retrieve several pieces of base year tax information necessary to fill in a portion of the FAFSA. Once a user elects to link to the IRS site, FOTW pre-fills the IRS authentication screen with the user's personal identifying information (PII) which are Social Security Number (SSN), name, and date of birth. The user's PII along with address and tax filing status will be used by the IRS to authenticate and present the user's tax information for FAFSA completion.

Yes, the Department may disclose information in this system without the consent of the individual, in accordance with the provisions of the Privacy Act of 1974, Privacy Protection Act of 1989 and OMB Circular A-130. The information shared includes but is not limited to: SSN, Date of Birth, legal addresses, first and last names, and email addresses.

Routine use disclosures published in the applicable system of records notice includes:

- Program Disclosures
- Disclosure for Use by Other Law Enforcement Agencies
- Enforcement Disclosures
- Litigation and Alternative Dispute Resolution (ADR) Disclosure
- Freedom of Information Act (FOIA) Advice Disclosure
- Contracting Disclosure
- Congressional Member Disclosure
- Employment, Benefit, and Contracting Disclosure
- Employee Grievance, Complaint, or Conduct Disclosure
- Labor Organization Disclosure
- Disclosure to DOJ
- Research Disclosure
- Disclosure to the OMB for Federal Credit Reform Act (CRA) Support
- Disclosure to third parties through computer matching programs
- Disclosure in the Course of Responding to Breach of Data

These routine use disclosures (as summarized above) may be made without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. These routine use disclosures may be made on a case-by-case basis, or, if the Department has complied with the computer matching requirements of the Privacy Act, as amended, under a computer matching agreement (CMA).

A CMA must be approved by both Federal agencies and their Data Integrity Boards prior to engaging in a computer matching program.

9. **Notice. Is a notice provided to the individual prior to collection of their information (e.g., a posted Privacy Notice)?** What opportunities do individuals have to decline to provide information (where providing the information is voluntary) or to consent to particular uses of the information (other than required or authorized uses), and how individuals can grant consent?

A notice (http://www.fafsa.ed.gov/privact.htm) is provided to the user prior to the collection of the data information.

The Privacy Act provides an individual the right to access his or her records in this system and the right to request an amendment of any inaccurate information in his or her record. The individual may request the information in his or her record from the Department by calling 1-800-4FED-AID (1-800-433-3243). A full explanation of the individual's rights under the Privacy Act is set forth in the Department's Privacy Act Regulations, which are published at 34 Code of Federal Regulations Part 5b.

Individuals providing information on the FAFSA do so voluntarily. If an individual chooses not to provide the information needed to process the FAFSA, their eligibility to receive aid may be

delayed or denied. An individual who submits a FAFSA for processing consents to disclosure of their information as published in the system of records notice.

10. **Web Addresses. List the web addresses (known or planned that have a Privacy Notice).**

http://www.fafsa.ed.gov/privact.htm.

11. **Security. What administrative, technical, and physical security safeguards are in place to protect the PII?** Examples include: monitoring, auditing, authentication, firewalls, etc. Has a Certification and Accreditation (C&A) been completed? Is the system compliant with any federal security requirements? If so, which federal security requirements?

The security safeguards in place include but are not limited to:

- Audit Trails
- Signed Rules of Behavior
- OMB Clearances
- Security Awareness Training
- Vulnerability scanning
- Change Management Process
- Separation of Duties
- Continuous Monitoring
- Annual Auditing
- E-Authentication Risk Assessment
- System Authentication for access
- System Firewalls
- Intrusion Detection Software
- System Required User Ids and Passwords

The CPS last Security Authorization (SA) was granted on July 25, 2008 and is compliant with all federal security requirements (OBM Circular A-130, NIST 800-53 and FISMA).

12. **Privacy Act System of Records. Is a system of records being created or altered under the Privacy Act, 5 U.S.C. 552a?** Is this a Department-wide or Federal Government-wide SORN? If a SORN already exists, what is the SORN Number?

CPS is covered under the System of Record Notice Federal Student Aid, SORN 18-11-01, dated December 29, 2009, 74 FR 68802-68808.

13. **<u>Records Retention and Disposition</u>. Is there a records retention and disposition schedule approved by the National Archives and Records Administration (NARA) for the records created by the system development lifecycle AND for the data collected?** If yes – provide records schedule number:

Yes, CPS has a records retention and disposition schedule number from NARA. They are:

NARA Job No. NC-12-75-1 and NARA Job No. NC 12-80-2 and GRS 20.

Certifying Officials Signatures:

Senior Program Official — 2/4/2010 Date

System Owner — 2/4/2010 Date

Information System Security Officer — 2/4/2010 Date

For systems that collect, maintain and or transfer SSNs:

Waived for this PIA (KC)

Assistant Secretary or Equivalent — Date

Kristen Lefevre for Dianne Norick

Privacy Advocate — 3/9/10 Date