

nassgap

national association of state student grant and aid programs

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May 2, 2005

Mr. Joe Schubart, via e-mail
U.S. Department of Education
FAFSAComments@ed.gov

Dear Mr. Schubart:

On behalf of the National Association of State Student Grant and Aid Programs (NASSGAP), we are responding to the request for comments on the 2006-07 Free Application for Federal Student Aid (FAFSA), which appeared in the March 18, 2005 Federal Register (Volume 70, Number 44). Thank you for the opportunity to comment on this data collection form that is used for state, federal and school purposes.

NASSGAP represents agencies in the 50 states that operate Leveraging Educational Assistance Partnership Programs (LEAP/SLEAP) and state aid programs. The states, including the District of Columbia and Puerto Rico, provide over \$5 billion in aid to more than 3,100,000 students. States are central to the delivery of financial aid to all categories of students, distributing not only federal LEAP/SLEAP funds, but also administering a significant number of state aid programs. States use the FAFSA as the foundation application for state assistance and are properly interested in the development of this document.

Outlined below are comments relative to the 2006-07 FAFSA:

Page 1:

- In the second paragraph of this section entitled, "Applying by the Deadlines," states prefer the original order. If the revised order is maintained, place the statement "See the table to the right for state deadlines" in bold font.
- States agree with this change.

Page 2:

- States agree with all changes.

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Page 3:

- Delete question 31.

Page 4 and 5:

- States agree with the change in wording about tax filing.

Page 5:

- In questions 65, 66, 84 and 85: Add the words “...and enter that number here” to make this requirement more clear. Alternatively, add this wording to the notes for these questions.

Page 6:

- Step Six: Place the following sentence in **bold font**. “For state aid, you may wish to list your preferred school first.”
- Delete questions 101 - 103.

Page 7:

- States agree with changes in Notes for questions 55 and 83.
- Notes for question 65: Eliminate clause b in the second bullet, which allows parents to count children they do not support and who are not planning to enroll in postsecondary education. These children are not drawing on the family’s resources and should not increase the applicant’s eligibility for aid due to their inclusion in the household size. If the intent is to include children who are planning to enroll in postsecondary education, yet must answer no to all questions in Step Three, the clause in the notes for question 65 should be modified as follows: “...(b) the children are or will be enrolled in a postsecondary institution and could answer no to every question in Step Three...”

Page 8:

- States do not agree with the change to include only “voluntary” contributions to tax deferred pension and savings plans. The instructions relating to the untaxed income area must be revised to clearly indicate that families must report as a source of untaxed income, all tax-deferred contributions to pensions and savings plans regardless of whether or not such contributions were made voluntarily or were mandated. NASSGAP believes that this is the equitable approach since family income from all sources is then considered, approved adjustments are made against that income in accordance with any given program’s need analysis procedures, with the result being eligibility for aid is determined in a uniform manner regardless of the availability of a mandatory or a voluntary pension plan through employment or a family’s decision to make voluntary contributions, which may or may not supplement an established mandatory pension plan. These are very subjective decisions made by families based on individual circumstances and personal viewpoints regarding family priorities. It is important that the application be worded in such a way that eligibility can be determined fairly and uniformly and without preferential treatment to those having access to a mandated employer pension plan.

The NASSGAP membership also suggests that the reinstatement or addition of the following questions be strongly considered. These are data elements that impact a significant number of applicants to state aid programs and should be added to the form.

- Require that both value and debt be reported for all assets to increase data integrity.
- Place questions requiring the submission of TANF and payments to tax deferred accounts on the FAFSA application (not on the worksheets). TANF payments are used as an indicator for exceptionally needy students and identification of this cohort at time of application permits consideration for appropriate aid and support services. Tax deferred income can be a significant resource for the family which is often overlooked when completing the FAFSA and efforts should be made to increase the integrity of the data used when determining eligibility for federal and state aid funds.

NASSGAP appreciates the opportunity to interact with regard to this very important process and document and strongly supports a streamlined process that does not negatively impact applicants for financial aid. To facilitate this, NASSGAP supports the implementation of a linkage from the FOTW to a state based application to expand the use of on-line capabilities. The Department is also encouraged to develop a smarter on-line FAFSA that would be tailored to a state's needs, such as capturing data from the Worksheets.

The relationship between NASSGAP and the Department, reflective of the state/federal partnership, has been fostered by the continued inclusion of a NASSGAP representative on the core federal FAFSA design team. NASSGAP urges that this continue and that consultation between the states and U.S. Department of Education (USDE) occur on all joint concerns and issues.

Sincerely,

(signed copy on file)

Mary Beth Kelly Sherry Fox
Co-Chairs
NASSGAP ED Technical Forms Committee

MBK/kmm

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