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national association of state student grant and aid programs

Statement made on behalf of
The National Association of State Student Grant and Aid Programs
Before the
Advisory Committee on Student Financial Assistance
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My name is Dennis Oberfell. I am the Deputy Director of the State Student Assistance Commission of Indiana, a past president of NASSGAP, serve on NASSGAP's Federal Relations Committee, and am currently Interim Chair of NASSGAP ED Technical Forms Committee. As you know, NASSGAP, the National Association of State Student Grant and Aid Programs, represents agencies in the fifty states that operate major state aid programs and also the Federal LEAP and SLEAP programs.

On behalf of NASSGAP, I thank you for the opportunity to speak before the Advisory Committee. The task you have to simplify the needs analysis and the FAFSA is difficult and anything but simple.

NASSGAP would like to highlight five principle points to keep in mind in the course of your deliberations on the simplification of the financial aid application process:

1. States use the FAFSA as the primary application for state need-based grant
2. State financial resources are finite but the population of needy students is growing as is their costs.
3. Point 2 requires increased diligence on the part of states to make sure that the most needy students do not lose financial aid at the expense of simplifying a form that would have the effect of increasing the number of less needy students getting more aid; and
4. Simplification is a relative term; Efforts in its name should be done knowing that there is a very delicate balance between reducing complexity and sacrificing good stewardship of public funding.
5. If questions important to state grant agencies are eliminated from the FAFSA, then states will have no choice but to create additional forms for students to complete in order to capture the "missing" FAFSA data.

With these principles in mind, the focus of my comments underscore the importance of state grant agencies in providing financial aid to students and the relative importance of the FAFSA in how states issue awards to students.

States are central to the delivery of financial aid to students, particularly those with financial need. States, including DC and Puerto Rico, provided over \$5 billion in aid to more than 3 million students for the 2002-03 academic year. These funding numbers exceed the federal government's investment of \$4.4 billion in the Pell Grant for the same period.

It is essential to understand that the FAFSA is not just a form used by the federal government to distribute federal aid. It is the primary form used by state agencies in awarding non federal aid as well. It is for this reason that states have a vested interest in the development of this document.

States are not only interested in eliminating barriers that prevent postsecondary access, they are proactive. For example, many states offer early intervention programs and provide extensive workshops and assistance to students and families on preparation for college including how to complete the FAFSA. States conduct high school counselor workshops and promote filing the FAFSA and doing so online. In fact, the wording on the paper FAFSA added last year that advises applicants to File On-time, File On-line was done in response to a state agency suggestion.

NASSGAP has worked closely with the Department of Education for over a decade to streamline and simplify the financial aid application for all students. State questions were retained in the FAFSA through the 1992 HEA reauthorization with the help of this Advisory Committee as a way to increase access. Prior to this, students had to fill out several forms, some for a fee, for aid to which they were entitled. This discouraged low-income students in particular from applying. NASSGAP conducted the research which led to the identification of common state questions that could be retained in the FAFSA.

In 2001, Access Denied acknowledged this accomplishment by saying *“Regarding application for student aid, Congress and the Department have made great progress in simplifying and integrating application and eligibility processes to provide good service for institutions and students.”* It was also said, *“The financial aid delivery system—free form and delivery process—no longer represents the significant barrier to **access** it once did when low-income students were required to complete and pay for multiple forms...”*

Yet Congress has assigned the Advisory Committee the task of trying to find ways to simplify the process further and even the Committee recently characterized the application process as “overly complex”. While NASSGAP supports further simplification efforts, it hopes the results of those efforts are rooted in science not anecdote. Specifically, quantitative methods should be used to discover:

- Which questions on the FAFSA are the most difficult for low-income applicants to answer and why. State's experiences and student and parent focus groups should be used in this analysis.
- Which untaxed resources on the Worksheet are major, marginal and which need better instructions.
- To what extent improved instructions and design changes could simplify the form.

- How FAFSA data is processed, presented and explained to students, parents, schools and states.
- If the application process is “overly complex” or if it not adequately designed to accommodate complex family situations.
- If the form in its entirety is “overly complex” or are some questions on it simply confusing. There are differences between questions that are “complex” and those that are “confusing”; one kind is easier to fix than the other.

That said NASSGAP has specific suggestions on how the form and the logic associated with the processing and presentation of the data could be made less confusing for applicants.

- NASSGAP encourages the Department to develop a smarter online FAFSA, one that allows states to select parts of the FAFSA, like untaxed income questions on the Worksheets, that they either need or could live without. This would help address the Committee’s concerns regarding the lack of some states to adopt the auto zero skip logic. In referencing the auto zero and the simplified needs test the Committee states in Access Denied that these two provisions already in law are not adequately implemented and that families covered under these provisions “...currently are required to complete the entire application form *“even though their eligibility is a certainty”*. Actually, a student’s eligibility for state aid may not be a certainty.
- The phrasing, organization and instructions (or lack thereof) of the Worksheet questions and the degree to which each question matters in determining a family’s ability to pay needs serious study.
- There is no guidance on the FAFSA on what “dependent” students should do if they are not wards of the court but have been abandoned by their parents and have been living with grandparents or aunts and uncles. These students find the form complex because it is impossible for them to fill the form out “correctly”. Such students are among those most at risk of having access denied because the form does not accommodate them.
- The CPS should be allowed to compute EFC’s for online filers needing “signatures”, and for those who filed paper FAFSA with partial signatures. The applications could still be considered incomplete until they are signed, but giving states and schools computed EFCs earlier would simplify the process for everyone, particularly students, and allow actual or estimated awards to be made sooner.

In summary:

1. Access Denied acknowledged the important relationship states have with the FAFSA by saying “*Finally, any changes offered in the name of simplification—such as modification or deletion of critical data elements required by states and institutions—that would make major funding sources less likely to use the FAFSA and federal delivery process would surely undermine **access**.*” NASSGAP could not agree more with this statement. Greater use of technology may help accelerate simplification efforts insofar as state specific questions are concerned.
2. NASSGAP believes asking how the application can be “simplified” is to ask how it can best be designed to assess truly needy students without increasing eligibility for those less needy. If not done with great care, simplifying the form and by default the formula, could make more students eligible for financial aid, thereby diluting the available funds to for those most needy.

Let there be no misunderstanding, states favor simplifying the financial aid award system as a whole, but NASSGAP believes that to understand the whole it is necessary to understand the parts. The FAFSA is part of the “access to college” challenge, it is not the whole, and to simplify parts of the form without looking at the whole picture of who needs the data (like states) and why, who has problems completing the data and why, and how the data are processed and delivered to states, schools and students, shortchanges the process.

I thank you for your time.