



National Association of State Student Grant & Aid Programs

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November 1, 2019

The Honorable Lamar Alexander
Chairman
Senate Health, Education, Labor
& Pensions Committee

The Honorable Doug Jones
Member
Senate Health, Education, Labor
& Pensions Committee

The National Association of State Student Grant and Aid Programs (NASSGAP) thanks you for introducing the FAFSA Simplification Act of 2019 ("the Act"). We write today in support of critical and time-sensitive improvements contained in the Act. We are hopeful that you will be able to engage in mark-up with the full Committee to either incorporate these key simplification initiatives into a comprehensive Higher Education Act (HEA) reauthorization that can pass both chambers of Congress or to enact the simplification features most important to students and their families in time for the next FAFSA cycle.

NASSGAP strongly supports several key proposals in the Act:

- Establishing the Pell tables will greatly simplify the process both for students and parents looking to estimate their potential aid awards and for the guidance counselors and college access professionals, including our many members, who assist students in college access and outreach initiatives and FAFSA completion events.
- Reducing the number of FAFSA questions by up to 80% will greatly enhance the perceived ease of FAFSA completion. NASSGAP's members greatly appreciate your retaining the four questions that most states need to establish eligibility for our \$12 billion in state grant and scholarship aid.
- Providing 'auto-zero' SAI status to students in families already receiving means-tested benefits
- Automating the transfer of IRS data to the FAFSA with student/parent consent

Transitioning to the "Student Aid Index" (SAI) better describes the existing "Estimated Family Contribution" (EFC) term and will allow for better differentiation among high need students. We support this transition and are working closely with our members to explore how this transition will work. We are concerned, however, about the transition in states where EFC is the term defined in the state statute or regulations for awarding state need-based aid. We have suggested some approaches to Senate HELP staff that could facilitate the transition.

While we recognize it is not in your jurisdiction, we are also hopeful you can work with other Senators to update and pass the Faster Access to Federal Student Aid Act of 2018 ("FAFSA Act") and urge you to pursue all available options to find a legislative vehicle that would enact this legislation as soon as possible.

We believe the FAFSA Act would simplify, through better integration with the Department of Education and the Internal Revenue Service, the financial aid

application process for students and families and streamline enrollment in and renewal of income-driven repayment plans for borrowers. In addition, the bill would take meaningful steps to reduce verification burden, a process that remains overly complex, disproportionately affects low-income students, and is burdensome for students and aid administrators.

We are also hopeful that the FAFSA Act can be enacted in the current session of the 116th Congress. We believe passage of this legislation is urgent because:

- There have been chronic problems with the IRS Data Retrieval Tool going down and being unavailable. A goal of both the FAFSA Simplification Act and the FAFSA Act are to simplify the process by making it automatic, not requiring the parent's or student's intervention, only their one-time consent.
- Similarly, with Income-Driven Repayment (IDR) programs, the default rate for federal student loans should be close to zero, but many borrowers fail to complete the enrollment and/or renewal process, often due to the income verification process
- "Verification melt", the failure to complete the verification process in a timely manner and the subsequent failure to enroll in classes, is a big concern for college access professionals. Verification melt is particularly problematic for low income students not required to file a tax return and first-generation students whose parents find the verification process confusing and burdensome. Failure to complete the verification process leads to the failure to enroll because it means the student has not completed the steps necessary to receive Pell and state grant aid. We believe the Act will minimize, if not eliminate, verification melt.

NASSGAP greatly appreciates your introduction of the FAFSA Simplification Act. We continue to be very interested in working with you and the Department of Education on further FAFSA simplification initiatives. Because each state is different and the financial aid programs we manage are often subject to state statute, we work carefully with our members to ensure that simplification initiatives do not create additional application steps for students and parents in the state financial aid process. We are aware that some of our members have specific concerns or suggestions relating to the removal of the state tax allowance and the proposed study of states collecting additional data beyond the FAFSA; we are encouraging them to work with their Senators on any potential amendments to that language.

In the most recent academic year, NASSGAP's members provided about \$12 billion in grant aid to over four million students pursuing their higher education goals. We would be happy to meet with you to discuss any further financial aid proposals so that we can expedite evaluation of the impact on the application process for students and parents in our respective states.

Respectfully,



Jennifer Rogers
President