



May 26, 2016

To Whom It May Concern:

On behalf of the more than 3,000 member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the draft 2017-18 Free Application for Federal Student Aid (FAFSA).

We appreciate and applaud the administration's decision to implement the use of prior-prior year (PPY) income data in the application process for the 2017-18 award year. NASFAA convened a PPY implementation task force in 2015 to focus on aiding a smooth implementation and developing suggested solutions to share with the Department of Education (ED) to proactively address any unexpected challenges. The following FAFSA changes would not only improve the FAFSA but also continue to pave the way for a successful PPY transition.

**Enhance the use of the Internal Revenue Service's Data Retrieval Tool (IRS-DRT)**

The move to PPY will increase the number of applicants who are able to utilize the IRS-DRT, which is a key component in FAFSA simplification efforts and burden reduction. We encourage ED to continue its collaboration with the IRS, specifically exploring the following issues:

- Allow more tax filers to use the IRS-DRT. For example, allow applicants and parents who file separate returns to use the IRS-DRT by pulling the tax information by SSN and combining the data on the appropriate FAFSA questions. If we do not expand the use of DRT, some of the benefits of moving to PPY will be blunted.
- Confirm for the student, parent or spouse that there is no record of a tax return on file, rather than forcing the applicant to obtain this information from the IRS. Currently, students and/or parents who do not file a tax return may be required to provide documentation of such status. The IRS filing deadline for PPY is more than a year before the FAFSA becomes available, and providing this information via the IRS-DRT would reduce administrative burden for both students and schools.
- Make the IRS-DRT authentication process more lenient, while still retaining necessary information security. For example, the current process requires tax filers to input the exact address from their tax returns in order to retrieve IRS data. Students may move from year to year, and they find it difficult to remember their exact prior-year tax filing address, let alone the address needed for PPY data

retrieval. Explore other authentication factors besides address that could be used, or perhaps lessen the address requirements.

- Explore the possibility of expanding the IRS-DRT to allow for the import of all relevant line items from IRS tax returns and W-2 forms. With the implementation of PPY, IRS systems should be up-to-date with the required information available to retrieve via the IRS-DRT. This would allow for a more comprehensive streamlining of the entire application process.

### **Earlier release of Pell payment and disbursement schedules**

NASFAA commends ED's efforts to shift its release timeframe for crucial information like the "FAFSA on the Web" preview site in preparation for early FAFSA. This March, Undersecretary Mitchell sent a letter to college and university presidents asking them to take advantage of the early FAFSA availability by providing earlier notification of financial aid eligibility to families. We recognize the benefit of giving families more time to make informed decisions about postsecondary enrollment. However, the release of Pell Grant payment and disbursement schedules (or "Pell tables") in late January forces financial aid offices to either maintain the current practice of making financial aid awards in the spring or release earlier award letters based only on estimated Pell Grant amounts. These estimated awards may require subsequent revisions, complicating a financial aid process that PPY was implemented to simplify. While recognizing that ED is limited by statute and by Congress in the timing of Pell table availability, making Pell tables available in the fall would allow institutions to release early award notices with accurate information for students and families.

The Department should explore how it can lift or modify any limitations requiring the use of December's Bureau of Labor Statistics (BLS) Unadjusted 12-month Consumer Price Index for All Urban Consumers (CPI-U) for the inflation adjustment add-on to Pell. The BLS issues the 12-month CPI-U every month and changing the required month from December to an earlier month would facilitate earlier release of Pell tables.

### **Other recommendations**

#### **Addition of Medicaid to means-tested benefits for simplified EFC calculation**

NASFAA supports the addition of Medicaid as a qualifying means-tested program for the simplified and automatic zero EFC formulas. NASFAA's FAFSA Working Group published its results in 2015 urging ED to reduce application burden for the neediest applicants, many of whom have already been determined to qualify for other federal means-tested benefit programs. Expanding the number of means-tested benefits that qualify applicants to complete a simplified FAFSA is a positive step in the direction the Working Group recommended. Further,

we would like to see eligibility for means-tested benefits used as the sole criterion for automatic zero EFC, eliminating all income and asset questions on the FAFSA for this group.

**Student Aid Report**

In recent years, the aid community has been focused on improving the FAFSA itself. It is now time for us to improve the Student Aid Report (SAR), which has long been overlooked as a key communication tool in the financial aid process. We are sure any rudimentary consumer testing would show that the layout, readability, and general user-friendliness are all in need of a complete overhaul. We urge ED to reconsider our previous requests to improve the SAR.

**School listing and order to state grant agencies and schools**

Many state grant agencies rely on the school listing as well as the order schools are listed on the FAFSA to estimate appropriations to fund annual grant demand as well as to provide students with estimates of state grant eligibility. NASFAA supports state grant agencies' request to continue to receive both the school listing and the order in which students listed schools in order to facilitate state grant processing. FAFSA language would need to be updated to reflect that state agencies would receive both the school listing and order.

We appreciate the opportunity to offer these comments and we look forward to working with you on these important application issues. Questions about our comments may be directed to Jill Desjean at [desjeanj@nasfaa.org](mailto:desjeanj@nasfaa.org).

Sincerely,



Justin Draeger  
President