



August 2, 2019

Docket ID: ED-2019-ICCD-0039

Director of the Information Collection Clearance  
U.S. Department of Education  
550 12th Street SW, PCP, Room 9086  
Washington, DC 20202-0023.

To Whom It May Concern:

On behalf of the member institutions of the National Association of Student Financial Aid Administrators (NASFAA), I am writing to offer our comments on the second draft of the 2020-21 Free Application for Federal Student Aid (FAFSA). NASFAA represents nearly 20,000 financial aid professionals who serve 16 million students each year at approximately 3,000 colleges and universities in all sectors throughout the country. NASFAA member institutions serve nine out of every ten undergraduates in the U.S.

### **Questions 35 and 82**

With the implementation of new federal tax forms for the 2018 tax year, the Department of Education (ED) was required to determine a proxy for “eligible to file a 1040A or EZ,” as stated in the Higher Education Act (HEA), to determine eligibility for the Simplified Needs Test (SNT) or Automatic Zero Expected Family Contribution (auto zero EFC).

In the first draft of the 2020-21 FAFSA, ED proposed to include the question, “Did (or will) you file a Schedule 1 with your 2018 tax return?”. In our comments we recommended, and still recommend, that skip-logic be used so that those who answer in the affirmative are subsequently asked the following question:

“Did you file a Schedule 1 only to report or claim one or more of the following:

- Capital gain distributions
- Unemployment compensation
- Educator expenses
- IRA deduction
- Student loan interest deduction
- Alaska Permanent Fund dividends?”

Applicants who respond “Yes” would then be considered for SNT or auto zero EFC, holding them harmless from changes to the federal tax forms.

In response to public comments, ED modified questions 35 and 82 in the second draft of the 2020-21 FAFSA to read “Did (or will) you file a Schedule 1 with your 2018 tax return? Answer **“No”** if you did not file a Schedule 1 or only file it to report an Alaska Permanent Fund dividend. See Notes page 9 for other exceptions.” (Question 35 for independent students and Question 82 for parents of dependent students).

We are glad to see ED’s willingness to make modifications in response to public comment. We continue to believe, per our public comment on the first draft of the FAFSA, that all six exceptions should be incorporated into the question itself with the use of skip logic to maximize accurate reporting by FAFSA filers without excessive application burden.

If it is impossible to implement this recommendation, we alternately suggest updating questions 35 and 82 proposed in the second draft 2020-21 FAFSA to address our concerns that some applicants who may be eligible for SNT or an auto zero EFC will not click on the exceptions hyperlink due to unclear wording.

We therefore suggest rewording questions 35 and 82 to read:

“Did (or will) you file a Schedule 1 with your 2018 tax return? Answer 'No' if you did not file Schedule 1, or answer ‘No’ if you only filed Schedule 1 to report one (or more) of the **six exceptions** listed in the Notes on page 9.”

The notes section as proposed would stay the same.

This approach places equal emphasis on all exceptions and highlights the number of exceptions, increasing the likelihood that an applicant will click on the hyperlink to learn if any of the exceptions are applicable.

### **Independent Students and Parental Support**

As the community continues to discuss ways to address FAFSA applicants who are in legal guardianships solely for financial aid eligibility purposes, we encourage ED to further emphasize to all independent applicants that money received or paid on the applicant’s behalf, including by parents, must be reported as untaxed income on the FAFSA. This could be accomplished through stronger language in the question itself or with a pop-up or something similar, including a reminder that by signing the FAFSA they are certifying that all information is true and complete to the best of their knowledge.

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

Regards,

A handwritten signature in black ink, appearing to read "J. Draeger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Justin Draeger, President & CEO