

NASFAA's "Off the Cuff" Podcast - Episode 160 Transcript

Speaker 1:

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Megan Coval:

Welcome everybody to another edition of Off The Cuff. I'm Megan Coval with NASFAA's policy team, and we are excited to be here today for a special edition that actually kicks off a series of special episodes that we'll be doing on FAFSA simplification, which is certainly one of NASFAA's favorite topics, and one that of course, is evergreen in the policy community that we've been talking about for a very long time.

Megan Coval:

We are really pleased that we have some special guests with us today, but before I get to that, I wanted to just set up why we decided to do this miniseries on FAFSA simplification. And the reason is, as you all will see that this week NASFAA is rolling out what we're calling our FAFSA Paper Series. And this was a project that was grant-funded by the Gates Foundation, that included 10 papers on FAFSA reform. One was authored by NASFAA and nine by outside authors. And the idea here was for folks to dig into the weeds on some different aspects or components of FAFSA simplification.

Megan Coval:

And the papers covered a whole variety of different topics. I won't rattle them off here, but just some examples. Looking at the impact of the new federal tax returns on a FAFSA simplification proposal. The struggle that exists between FAFSA's completion and verification using means-tested benefits during the FAFSA process, using the federal tax return in place of the FAFSA, impact of verification on enrollment of low-income college students.

Megan Coval:

So these topics, and many more are included in this Paper Series, and it's something that we're really excited about, and what we are doing to roll it out is bring some of the authors on the podcast to talk about their papers and the particular topics that they looked into.

Megan Coval:

And one more thing I want to do, just as context here, is like a little bit of the state of play on FAFSA simplification on Capitol Hill. So you know what the opportunities are for the work of these papers to maybe ultimately be incorporated into reform on FAFSA simplification.

Megan Coval:

It's still something that's very much in the mix for the reauthorization of the Higher Education Act, whenever we can actually get around to it. FAFSA simplification is really, I think, one of the few issues that both Republicans and Democrats agree needs to happen. And we have seen proposals from both the House and Senate and Republicans and Democrats to revamp the FAFSA and in some cases in very

significant ways. And the truth is I don't think that they're really a whole lot apart on where they want to be. I think there's been a lot of bipartisan agreement.

Megan Coval:

NASFAA has had our own proposal as well. Big picture, these proposals, they're obviously different in some ways, but try to make it so that lowest income students and families have to answer the fewest questions, trying to pull back on asset information, the need to provide that. Rely on data sharing from the IRS, use existing means-tested benefits as a way to give students not a zero. These are kind of some of the big pictures that are floating around on the Hill. And we talked about this in a number of different podcasts before and in a lot of coverage that we've done here at NASFAA.

Megan Coval:

So the time is ripe and the interest is there. And without further ado, I want to dive into the authors that we have with us today, who worked on some of these papers. And so first I'm going to introduce our panelists here. We have Sandy Baum, who is no stranger to NASFAA or to this community as a whole. Sandy is a senior fellow for the Center on Education, Data and Policy at the Urban Institute and professor emerita of economics at Skidmore College. Sandy is widely considered an expert on higher education finance, and she speaks and writes extensively about issues relating to college access, college pricing, college student aid policy, student debt, and affordability. And I've no doubt that many of you probably are familiar with Sandy's name or have read her work. And it's really great to have you here today.

Megan Coval:

And Sandy authored, along with her colleagues, and she's welcome to share who her co-authors were, three papers for the FAFSA series. I'm going to give you the whole name of the paper so that you can look it up because all these are out now. One, Applying for Student Aid: Can Federal Tax Returns Take the Place of the FAFSA? Second paper, Understanding the Impact of Different Methods for FAFSA simplification, and third, The Federal Methodology: Is It a Good Measure of Ability to Contribute Toward Educational Expenses? So Sandy, really great to have you here today.

Megan Coval:

And we also have with us today Lauren Walizer from the Center for Law and Social Policy or CLASP. And CLASP is an organization that NASFAA works with quite a bit and has been a great partner in policy.

Megan Coval:

Lauren is a senior policy analyst with Postsecondary Education and Workforce Development Team, where she works to ensure equitable connections between low-income students and affordable and quality postsecondary education programs. She analyzes and advocates for federal policy that supports the school. Additionally, she provides technical assistance on how to create systems change in states and institutions in order to better give low-income students opportunities for economic mobility.

Megan Coval:

So Lauren, glad to have you here with us today. And Lauren authored, along with her colleagues from CLASP, the paper, Using Public Benefits as an Indicator to Reduce Paperwork and Maximize Student Financial Aid.

Megan Coval:

So, I'm going to go back to you, Sandy, and start with you, and just ask you to, as I said, you authored three of these papers. Walk us through what you and your colleagues were exploring and maybe kind of summarize it for us, some of the recommendations that were included.

Sandy Baum:

Thank you. I'm happy to have a chance to talk with everyone today about our work for this NASFAA project. We did, at Urban, write three papers. I worked with my colleagues, Kim Rueben and Erin Huffer, who are at the Tax Policy Center at the Urban Institute. And I'm going to sort of put the three papers together. They were all related, have a lot of related ideas. I won't go through them one by one, but Megan did tell you what the papers are about. And we were really looking at simplifying the system, seeing whether we could rely on the tax system, how we could improve both the Pell Grant system and the overall application process and need analysis formula for student aid.

Sandy Baum:

So just in terms of the big picture of what we said, we basically say in all of the papers that we think we really need to distinguish between two functions of the FAFSA and the federal methodology. One is ranking low and moderate income households for the receipt of Pell. And the other is actually measuring financial capacity so that we can more equitably and effectively allocate aid that's not the Pell Grant, other aid from institutions, states, other sources, so that we can fill in the gaps between what students and families can contribute on their own, what they get from federal grant aid, and the full cost of attendance.

Sandy Baum:

And the fact that the Pell Grant is the foundation, it's not meant to fill the gaps between family capacity to pay and cost of attendance. And so we don't need the same kind of detailed measure of an EFC for the Pell Grant that we need for other aid. And so, used to be that the Pell Grant system was actually separate from the calculation of an EFC and we thought it would be simpler to put them together, but it turns out that putting them together actually complicates the process for applying for Pell Grants.

Sandy Baum:

And so we've actually lost the simplicity that we need for Pell by trying to make a unified system. So we argue that we should take them apart and that the Pell Grant should be based only on information from the Internal Revenue Service, probably on a simple formula based on AGI and household size. And actually there've been lots of studies of this and we go through the details of the studies and they show that there would not be much impact on the distribution of Pell Grants. It would become much simpler and the whole process would work better. The Pell Grant could be much more effective.

Sandy Baum:

We do talk about some details of things that could be different and could improve the Pell Grant eligibility process. Some of them NASFAA included in the recommendations, like eliminating negative AGI so that you wouldn't have families who really aren't the ones who are the target population for Pell getting it because of their negative AGI.

Sandy Baum:

We also talk about the number in college adjustment, and argue that if we didn't adjust for number in college, you could have the Pell Grant attached to the student without determining whether the student's sibling is in college at the same time or not. It would be simpler, it would be more equitable, and would also mean that you would eliminate the higher income families who get Pell just because of multiple children in college at the same time.

Sandy Baum:

And then one other recommendation that we made was that instead of focusing so much on a snapshot at a period of time, we look at multiple years of income. So we get a better measure of family capacity, and then we can eliminate the renewal FAFSA for Pell. So you wouldn't have to apply for aid again, once you became eligible for Pell, but we would have based that on multiple years of income.

Sandy Baum:

And I will say that we did discuss the negative EFC and we have actually argue against negative EFC for a few reasons. One of which is that if you want to think about the idea of making need greater than a cost of attendance, complicates that quite a bit. And so we think that alternatives for differentiating among low income students for Pell Grant allocation are important.

Sandy Baum:

And then when we talked also in all of the papers about the fact that what works for simple Pell Grant allocation is not so simple for people who have more complicated financial circumstances. So along the lines of NASFAA's proposals, we proposed that people whose tax forms show that they have significant assets, that their circumstances are more complicated, would have to provide more information. But all of those things about negative AGI and multiple years of income apply to those issues as well.

Sandy Baum:

We don't think that people who have these complicated circumstances are going to have, supplying extra information, create the same problems as is the case for Pell Grant recipients. And when we talk about how to effectively differentiate among those more affluent students and households, we do think that better focus on assets is important. We looked at whether the tax system could adequately provide the information needed to differentiate people by assets, to predict or impute their assets, and we conclude that it won't work, that there's just not enough correlation between income and assets. Households with very similar income levels have very different asset levels. So we really do think that we need to get more information from those families, excluding assets, and that includes excluding home equity as the formula now does, really make families look more similar than they are. It exacerbates racial inequities, because white families are much more likely than black families to own homes. And so we think that a better treatment of assets would be really important. And again, the tax forms would be all we need for allocating Pell, but they are not all that we need for allocating other aids.

Sandy Baum:

So we want the system to be simple and predictable for low-income students and families, but we also believe that the federal government needs to have a system that can effectively differentiate among families who are not Pell eligible and come up with a way that states and institutions can better allocate their aid.

Sandy Baum:

So that's a quick overview of everything that we said in those three papers.

Megan Coval:

Okay. I was just wondering about the states and institutions. So I'm glad you ended with that piece. And thanks for the overview. There's a lot in there, and three different papers, but certainly all of these ideas are interconnected and even all of the 10 papers are interconnected. So, we'll come back to you with some questions in just a minute, but want to give Lauren a chance to give us an overview of the work that she and her colleagues did at CLASP.

Lauren Walizer:

Yeah. Thank you, Megan. Thanks for having me and thanks for inviting CLASP to be part of this series.

Lauren Walizer:

As you mentioned, a little bit about CLASP, we're an anti-poverty nonprofit in Washington, DC, and we focus on reducing poverty, promoting economic security, and advancing racial equity. And something that I really enjoy about working at CLASP is that I have colleagues who have specialties in a lot of different policy areas. And so this paper really gave me an opportunity to work with one of my colleagues who has a particular expertise in public benefits, who's named Elizabeth Lower-Basch. And so we got a chance to work closely together and write this paper that really looked closely at the public benefit question on the FAFSA.

Lauren Walizer:

So just some background. I know a lot of people listening are probably financial aid administrators, but just for people who don't know how it works on the FAFSA, students can answer if they meet a certain income threshold, and if they answer one of the questions in the affirmative, either that they received one of six public benefit programs, or they have a certain tax status, or they were dislocated workers, they get put into the Simplified Needs Test or the automatic zero EFC.

Lauren Walizer:

And so we looked at that question specifically around public benefits and really what are the characteristics of students who say they do receive public benefits? What are their financial condition? What types of institutions do they attend? And we looked at some history of it and provided some kind of pros and cons of some recommendations. So I'll just rewind a little and say the history of the question is that it's only been around since the early 2000s. And it was really added as another opportunity for students to be able to access a simplified formula, other than just through their tax filing status.

Lauren Walizer:

And so the advisory committee as you mentioned earlier, Megan, was really the driving force behind getting this instituted. And then since then it's been expanded, originally it was a 12-month eligibility, now it's if someone has received public benefits in the last 24 months, they're able to say, yes, they have received those benefits and they can be put into the Simplified Needs Test.

Lauren Walizer:

Some of the characteristics of students who receive the benefits, about one in five students indicate that they receive public benefits. And we believe this is an undercount, because for instance, there's a

really large stigma around receiving public benefits in our country. There's kind of shame in being poor. That's the way the policies are created and that's some of the culture. So we think that there are some people who are concerned about indicating they received these benefits. They may also be concerned that it may affect something that they're receiving or their immigration status, and so they may not want to say they receive it.

Lauren Walizer:

We're also anticipating seeing that number go up much more in the coming academic year or two because of coronavirus. We know food insecurity has increased twofold since the pandemic started. And we also know that students at public community colleges and also at for-profit colleges are more likely to be using public benefits or indicating that they receive public benefits on the FAFSA. This probably is not a surprise because those are the types of institutions that students with lower incomes typically attend. And so for instance, one in three students at for-profit colleges use public benefits, and more than two in 10 students at community colleges. So they receive public benefits.

Lauren Walizer:

But I also want to say that we found 15% of students at four-year public colleges and 14% at private colleges also, said they receive public benefits, and that I want to highlight because sometimes I work with colleges or college systems, and there's the thinking among some higher level administrators or other people on campus that this isn't here. We don't have students who have basic needs insecurity, or have other concerns that are unaddressed. So we do find it across all campuses that students rely on these supports.

Lauren Walizer:

We also found that students are often working, so six in 10 had a job, either a part-time or a full-time jobs, sometimes even working more than 40 hours a week to support themselves, and still needing to rely on public benefits. And we also found that many students don't receive very much financial aid. Many students miss out on Pell Grants despite having this need. And we weren't really sure about why that was. I think that was kind of beyond the scope of the paper, but it is something that we highlighted as something that needs some more research.

Lauren Walizer:

We didn't really make a declaration about whether having the question on the form is good or bad. I think we sort of punted that because there are some benefits to having it. For instance, it can lead to a simpler FAFSA form for students who answer in the affirmative because of improvements to the way that FAFSA on the web has developed over the years. Students are now able to skip logic, allow as many students to actually not even see that question, because if they already meet the qualifications for the Simplified Needs Test, they don't even get to the public benefits question. And it can also help people who have a lot of self-employment income who work in the gig economy, as it's called who tutor or drive Uber or self-employed, to be able to check that they receive public benefits that they do, because they don't qualify under their tax status.

Lauren Walizer:

But there are challenges, as I mentioned, because there is stigma around receiving public benefits and there may be discomfort due to their personal situation that they don't want to say that they receive public benefits. And that's something that is in our recommendation, that there should be an explicit

rationale why this question is being asked on the FAFSA. The public benefits question has a different context around it, a social context around it, than some of the other questions on the form. And so just asking it without the context of this is for the purpose of determining your need, and this is only used for this purpose, sometimes may throw some people off and may have them say they don't receive public benefits that they really do, or skip the question altogether.

Lauren Walizer:

As I mentioned in our recommendations, that was one. Our other ones were to make it easier for students who receive public benefits in the verification process. So once they have completed the FAFSA, sometimes there is additional verification that students face, either to verify that they received SNAP or some other public benefit, or sometimes there can be verification on the other end for if they receive a public benefit to verify that they're a student.

Lauren Walizer:

And sometimes in a lot of my work in working with states and college systems, I have a discussion with them about ways to make that simpler, to develop uniform forms or to develop a uniform process, so that there's kind of shared expectations among the college about what a student will be bringing them to show that they receive a public benefit, or what the human services agency will receive to see that a student is enrolled in college and developing relationships between colleges and human service offices or a community-based organization, if they are the entity in the community that connects people to public benefits, is really important to help build that relationship, so that students don't have to do all of the leg work of taking paper to all these different offices and showing that they've received these benefits or that they need financial aid.

Lauren Walizer:

And our other recommendation is really to expand the use of automatic zero. We've mentioned the proposal that NCAN has put forth that would shuttle public benefits recipients directly into an automatic zero EFC and give them the maximum Pell Grant. But we say at the minimum, the threshold for automatic zero EFC should be increased to 130% of the federal poverty level, because as it stands right now, it's at 100% of the poverty level for a family of four, which is just extraordinarily low.

Megan Coval:

Thanks, Lauren, for that overview. And one of the things I'm realizing that I should have mentioned in the beginning is that this Paper Series that we roll out, also will have an executive summary that includes some recommendations that were approved by the NASFAA board. And a lot of those recommendations came from the papers that the other authors wrote, including both Sandy and Lauren. And one of those, Lauren, you mentioned that made it into the executive summary was that popup box that explains why the questions are being asked related to public benefits. And I think that's a really important point, and honestly, I think something we haven't thought a whole lot about, was the fact that students may not want to answer the question because they may feel some shame or embarrassment associated with it. And I think during this time, it's more important than ever that folks realize why that question is being asked and nothing of course to be embarrassed about. So we really like that idea.

Megan Coval:

One question, Lauren, I'm going to go ahead and just start with you on some follow-ups here, and I think it the last recommendation you mentioned, I'm not sure in the paper, but at least in today's conversation, about using the receipt of means-tested benefits to just move students into auto zero. And that's something NASFAA has talked about before, and it is in our FAFSA proposal, though we are sort of limited in what public benefits we would use.

Megan Coval:

Would CLASP like to see all public benefits included there, or just certain ones? And I ask that question because of one, the availability of database matching. So just sort of thinking like if a student answers yes, then what happens from a verification standpoint? And also just, I guess, the example I'm thinking of right now, and one that we hear a lot, so I'm curious of CLASP's take, is with free and reduced-price lunch, and the way that it's structured so that if a certain percentage of students have it at a school, then the whole school ends up getting it. And so what do you do in situations like that?

Megan Coval:

So a couple of questions embedded in there, but if you want to give us your take, that'd be great.

Lauren Walizer:

Yeah. I had wondered if free and reduced-price lunch would come up, because I know it's part of Senator Alexander's proposal in his bill that he introduced. He made some changes to that question. And one of the changes he made was to take that program out of the FAFSA and he added some other ones in. He added housing in, he put Medicaid in, which is currently only in by administrative secretarial discretion and not in statute. But those changes, I think we support, but the free and reduced-price lunch, I think is a little bit concerning.

Lauren Walizer:

As you mentioned, students will receive it if they go to a school where there meets a threshold of a certain amount of low-income students who qualify for it. I think the concern is, and we've heard it from bi-partisan from both sides of the Hill, the concern is that it's almost too generous, as those students who are receiving this program wouldn't otherwise qualify, and so we shouldn't be allowing them on the FAFSA to indicate that they received these programs. I don't find that to be a reasonable argument, because if you think about the way the FAFSA is structured, students still need to meet the income threshold in order to be eligible for the Simplified Needs Test and the automatic zero EFC.

Lauren Walizer:

And so even if they are part of a school that has community eligibility, they still need to have a family income or a personal income below \$50,000. So the public benefits question is not going to shuttle them into simplified formula if they don't meet that income threshold. And they're not going to even see the question, because of the skip logic to begin with, if they don't meet that income threshold.

Lauren Walizer:

So I don't see the harm in leaving it in there. I think it's much more likely that students are probably at or near a threshold where their family would probably qualify for free and reduced-price lunch or SNAP or another benefit, and don't actually go apply. And they happen to get it through their participation in that school. And that then they are able to get put into a simplified formula, rather than some very

wealthy family is receiving free lunch because of community eligibility. And now they're going to get all of these other benefits because of it. I don't think that's going to happen.

Sandy Baum:

Could I just add one thing about the auto zero, which we discussed in one of our papers that I think gets less attention than this question of how you simplify it. And that is that the importance of the auto zero is to make the whole process simpler and clearer and more predictable for very low-income students.

Sandy Baum:

But we want to make sure that it doesn't create the inequity that if you got auto zero too far up the income scale, you could have people who didn't, for some reason, meet the auto zero requirement, and then ended up with a much higher expected contribution based on their income information. And what you really want is a simpler way for people who would have a zero EFC to get it without creating this inequity, that if you happen to meet that requirement, you're going to get a much lower or you're getting a lot more aid than if for some reason you don't, but you're actually in very similar circumstances. And so that should be coordinated with the formula.

Megan Coval:

Thanks, Sandy. I think that's a great point. Thanks for chiming in there on that. Lauren, where do you think things stand on the Hill with this, and CLASP's proposals, and we've obviously seen several draft bills and some have included this idea. What do you think the appetite is? And when HEA gets moving, which won't be for a while, what are your thoughts on the inclusion of using means-tested benefits for auto zero, for example?

Lauren Walizer:

Yeah. I mean, Megan, you might know better than me. I think Alexander's bill is part of the discussion around the larger coronavirus package. So, I mean, I do think right now that is the best vehicle for it to move. I think that if it is going to get passed, that's probably how it's going to happen. I mean, Senator Alexander is retiring in however many months, and so this proposal will probably, unless the colleague picks it up, it will kind of disappear. And so I think some form of this conversation will continue, but just not his particular visioning of it.

Lauren Walizer:

I think I would like to see some sort of, as Sandy described, some sort of re-imagined FAFSA, the way that she and her colleagues have proposed, or some version of NCAN's proposal, I think any way we can make FAFSA simpler for low-income students. I do think tying it to means-tested benefits is useful, but I do also think that there's a limited utility to that, because hopefully people have some understanding of these programs are very stingy and they're very administratively complicated for a person to participate in them. And so there are many, many people who are in need that aren't on these programs. And so tying means-tested benefits to a simplified FAFSA is a way to get a number of low-income people through the process faster, but it's by no means going to capture the universal people.

Megan Coval:

Yeah. I appreciate you bringing that up because you mentioned this on the flip side about the number of folks who are benefiting from public benefits who are not receiving aid. This is sort of like the opposite of that. And it struck me, the one stat that was in your paper, you said an average of one in four

students relying on public benefits programs misses out on the Pell Grant, in particular. So I think, really haven't looked at it this way before in your paper, I was going through this morning, really provides a great kind of trove of data on the programs and current uses of them based on students who are in school. So if folks are interested in learning more about that, I definitely encourage you to check that out.

Megan Coval:

Sandy, I had a couple follow up questions for you, going back to your summary and analysis of your paper. The Urban Institute is very good at doing modeling. It has even done some modeling for NASFAA before on some of our proposals, and one of the things that you mentioned is that, when you looked at breaking out Pell separate from the other parts of the application process, that there wasn't a large impact. And so I wondered if you could just talk a little bit more about that modeling and maybe specifically what you found.

Sandy Baum:

Well, Urban has done a number of models of taking different proposals for simplifying the Pell formula and for simplifying the EFC formula to see what the impact would be. And also, there are other studies that have done similar things. I was involved in a college board study that looked at simplification and using just a couple of elements of the formula. And Sue Dynarski and Judith Scott-Clayton have done a lot of this research. They really pioneered it. And all of these studies find that if you base Pell allocation on just a couple of data elements, you have very little impact on the allocation of Pell Grants. So that all the complexity that we go through to allocate Pell really isn't worth it in terms of creating any kind of more targeted distribution.

Sandy Baum:

And the explanation for that is really that on the one, a very large share of a Pell Grant recipients have a zero EFC. So you can change things in the formula for them, and it's not going to change their Pell Grant because you can have a pretty big change in your low income and still have zero EFC and still get the maximum Pell Grant.

Sandy Baum:

On the other hand, if you look at what the simplification does for higher income households, particularly for the parents of dependent students, you do find significant changes in their expected contributions. So for example, if you take assets out of the formula, it means for families who are above the Pell Grant threshold, that for many of them, they would have significantly lower expected contributions, and therefore it's not that they would become eligible for Pell, but they would become eligible for need-based grant aid in some states, and definitely for need-based grant aid at many institutions. And so all of the simulations lead to the same sort of bifurcated finding that very great simplification for Pell is the most efficient way to carry it out and is equitable.

Sandy Baum:

But if you carry that out as the only way that we allocate financial aid, you end up unable to see the actually really large differences in financial capacity among families who are higher up the income scale, but not so high up the income scale that they can just afford to pay for college on their own without need-based aid.

Megan Coval:

This concept was included in Senator Alexander's FAFSA bill that was released this past fall. And then again, a couple of weeks ago within the context of the COVID-19 relief. And ultimately it was not in the HEALS Act, which the Senate put out, the FAFSA piece of it, but it's still very much on the table. And Senator Alexander is engaged in these discussions.

Megan Coval:

If you went to basing Pell eligibility off of family size and AGI, what do you think that would do for early information? Because I think a part of this is that people could better predict. So maybe you could talk a little bit about that piece of it, Sandy?

Sandy Baum:

I mean the early information piece is terrifically important. There's a lot of evidence that if students in low-income families who think they might not be able to go to college because they won't be able to afford it, could know early on. And early on doesn't mean like, oh, now we have prior years, so they know a little bit earlier. It means really years earlier, like when they are in middle school or at least beginning high school. If they knew that, that they would have the opportunity to become better prepared academically for college and for families to do whatever saving they might be able to do. So that predictability is really important.

Sandy Baum:

So what our modeling includes is we're making a lookup table. So basically one, the information needs to be available on tax forms so that people don't have to go through that complicated process. And two, that there's a lookup table that tells you, given your family size and your income, and assuming you meet the criteria that you don't have complicated assets, put a little asterisk for negative AGI, this is the Pell Grant you would expect to get if you went to college this year. That that predictability is really important.

Sandy Baum:

So that means that one, the data has to be available from the tax form and two, anything that you wanted to add to the formula to make it more complicated, that made it impossible to create this kind of information, you'd want to think really hard about how much it would improve the system before you added that and eliminated the possibility of making these simple lookup tables.

Megan Coval:

Yeah, I think that's a really important piece of it and the fact that you can achieve the early information aspect of it along with simplifying the actual formula, and really kind of holding things steady too, I think makes a strong case for kind of breaking it apart in this way.

Megan Coval:

I'm looking at the time here and I have one last question for the both of you. I'll just ask it and whoever can chime in... Well, I want you both to answer. But you can pick who answers first. And very, very high level, what does the perfect FAFSA reform look like to you? So if you were up on the Hill and completely in charge of FAFSA reform when reauthorization came along, what would it look like?

Lauren Walizer:

So I have a kind of, I don't know, it's kind of a weird answer to it. My response would be like... So we allude to it at the very end of the paper, so anyone who wants to not read this paper, just go to the last two paragraphs and I'll say no more. I encourage you to read the whole paper, but I do talk about FAFSA reform is only part of the... FAFSA exists in a larger ecosystem in higher education. And so the FAFSA that can only be as good as the programs that it's facilitating student access to and the college financing model we have. And so my FAFSA reform would be part of a larger re-imagining of... In my world, in CLASP world, what it would be that free college or some sort of free college model with the grant programs being part of that, and FAFSA could facilitate those grant programs. So my FAFSA reform would be a much larger and broader scope than just the reform itself.

Megan Coval:

We say that all the time here. FAFSA simplification is not a panacea for a broader college access concerns, funding of the program, things like that. So I appreciate that answer.

Megan Coval:

All right, Sandy, what's your-

Sandy Baum:

I mean, I certainly agree that FAFSA reform comes in a larger context. We can have a whole other debate about how we should improve that context. Obviously, one of the problems I think with the debate is that there's just not enough money. We're talking about how to do a really good job of allocating the funds. And we're doing this in the context that there just aren't enough funds to actually solve the problems that we're addressing.

Sandy Baum:

And so, no matter how simple you make the process, if you don't have enough Pell Grant funding, then it's not going to solve its problem. But I would eliminate any financial questions. FAFSA, as we know it, if you are applying for a Pell Grant, you should not have to provide any other financial information, because that should come through the tax system or through other benefit programs or proof that you weren't required to file taxes. You might have to provide information about, for example, your family structure. That is one thing I didn't mention that the tax change did was made it harder to use claiming a dependent on your tax form as a measure of family structure.

Sandy Baum:

But there's no reason that these students should have to answer financial questions. So let's simplify that. Let's make the IRS ED cooperation greater, so that works.

Sandy Baum:

However, the federal government still has a responsibility to make sure that students from all different backgrounds have the opportunity to be able to pay for lots of different kinds of colleges. And that means you can't abandon the questions of the allocation of state aid and institutional aid, and that we need to have a system where we require some extra information from some applicants, and come up with a system that really does a better job of facilitating the equitable allocation of student aid, so that

people have more than just Pell Grants, which are just not sufficient to help so many students pay for college.

Sandy Baum:

So it would be two pronged, but definitely for Pell. It's got to be simple. It's got to be predictable. And it's got to take families out of the situation of answering these complicated, intimidating questions and of having to go through the verification process.

Megan Coval:

Amen. I think we can all agree on that. Now we just have to figure out how to get Lauren and Sandy in Congress, a job you probably want, to be up on Capitol Hill, making law.

Megan Coval:

Well, thank you both for joining us today. The truth is we could have probably done a whole episode on each of these individual papers. So I encourage everyone to take a look at the FAFSA Paper Series, in particular the papers authored by Sandy Baum and her colleagues at Urban Institute, and Lauren Walizer and her colleagues at the Center for Law and Social Policy. It was an honor to have you both with us today. I know we'll keep in touch. We work with both of your groups a lot, and we appreciate your time.

Sandy Baum:

Thanks so much.

Lauren Walizer:

Thank you.

Megan Coval:

Stay tuned for another special edition of Off The Cuff that will feature more from our FASFA simplification series. Thanks for listening. Make sure to subscribe, tell a friend, and we'll see you soon.