



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



SIMPLIFICATION OF STUDENT AID

In its 2005 report, *The Student Aid Gauntlet: Making Access to College Simple and Certain*, the Advisory Committee outlined ten simplification recommendations, nine of which have been adopted in legislation. More recently, the *Higher Education Opportunity Act of 2008* provides for a continued role for the Committee in the simplification of student aid in that the Secretary of Education is directed to consult, as appropriate, with the Committee in carrying out two efforts.

- **Early Application and Estimated Award Demonstration Program**

- ◆ This program would allow dependent students to apply for federal, state, and institutional financial aid using information from two years prior to enrollment, and receive an estimated determination of such aid no later than one year prior to their planned enrollment in an institution of higher education.
- ◆ The demonstration program would measure the benefits of early application in terms of student aspirations and plans to attend college, and any adverse effects in program costs, integrity, distribution, and delivery of financial aid.
- ◆ The Secretary must implement this program no later than two years after the enactment of the *Higher Education Opportunity Act*.

- **Reduction of Income and Asset Information to Determine Eligibility for Student Aid**

- ◆ The Government Accountability Office (GAO) will lead this study and convene a study group consisting of the following persons: Secretary of Education, Secretary of the Treasury, Director of the Office of Management and Budget (OMB), Director of Congressional Budget Office (CBO), higher education officials, state chief executive officers, and other designated officials.
- ◆ The specific objectives of this study are: to make the FAFSA easier to complete, to identify formula changes that reduce the required amount of financial information without significantly redistributing federal aid, and to review and propose ways to address state and institutional data needs.
- ◆ In addition, prior to the completion of the study, the Secretary is directed to continue to examine whether data from the IRS could be used to pre-populate the FAFSA or generate an EFC without additional action from the student and taxpayer.

Advisory Committee staff will provide technical assistance to DoED staff, as appropriate, in the design, implementation, analysis, and recommendations of these two efforts. Progress on these projects and other student aid simplification initiatives will be reported to Congress periodically.