

Exploring Ways to Enhance FAFSA Efficiency:

SUMMARY & RECOMMENDATIONS GUIDE

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The overall goal of FAFSA simplification is to make the process easier for students and schools, while also maintaining program integrity.

The National Association of Student Financial Aid Administrators (NASFAA), using grant funding from the Bill & Melinda Gates Foundation, commissioned a 10-paper series exploring ways to make the FAFSA and the overall federal student aid process more efficient and streamlined for applicants and their families.

At the completion of these papers, NASFAA reviewed the recommendations and ideas presented in each to determine which to support and incorporate into its own official FAFSA recommendations.

The Papers in This Series Explored:

How to achieve simplification, taking into account the new federal tax forms

The struggle between FAFSA completion and verification completion

Whether the Federal Methodology is the best method to assess a family's ability to contribute

The use of means-tested benefits to determine aid eligibility

The possibility of using federal tax returns as the Title IV aid application in place of the FAFSA

The impact of different FAFSA simplification methods

How verification impacts the enrollment of low-income college students

The impact of allowing a negative Expected Family Contribution (EFC)

'Free College' programs and their impact on the FAFSA

The possibility of a one-time FAFSA

NASFAA encourages the reader to review individually authored papers to learn more about each topic and that author's recommendations.

These 13 recommendations include NASFAA's proposals as well as proposals from the various papers that align with NASFAA's policy and advocacy work.

RECOMMENDATIONS

1

Implement and expand direct data sharing between the IRS and ED.

Institute a three-level application process where, after answering demographic and dependency status questions, applicants would be steered down one of three paths based on screening questions and the results of the IRS/ED direct data sharing.

2

3

Adjust the adjusted gross income (AGI) reported through IRS/ED data sharing to account for any negative income reported on Schedule 1 and use that adjusted AGI in need analysis.

Eliminate the term "expected family contribution" (EFC) and replace it with a term that reflects an indexing of financial strength.

4

5

ED should explain why verifying 22% of all FAFSA filers is the most appropriate percentage.

ED should consider substantial changes to verification of financial information based on the implementation of the FUTURE Act.

6

7

ED should select an even smaller proportion of auto-zero EFC applicants for verification.

Include as part of the FAFSA on the Web (FOTW) a pop-up that explains three key details related to public benefits.

8

9

Add the negative AGI back into income in the need analysis formula.

Eliminate FAFSA questions not relevant to aid eligibility.

10

11

Make the formula used to define verification selection criteria more transparent.

Allow independent students without dependents to be eligible for the auto-zero EFC.

12

13

ED should explore calculating negative EFCs alongside the current EFC formula.