

Financial Aid Administrators' Views on Simplifying Financial Aid

NASFAA's 2008 Financial Aid Simplification Survey Report

Prepared by NASFAA's 2008-09 Federal Issues Committee, November, 2008



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Executive Summary

Despite a decade of simplification efforts, students and families are often still baffled by the student aid process and cringe at the sight of financial aid application forms. Contrary to its purpose of helping students to access college, the student aid application process causes families frustration and confusion that has been cited as an obstacle to college access (ACSFA, 2004).

Much has been written and discussed in recent years regarding the perceived need for simplification of several aspects of student financial aid, including the application, the formulas, and the delivery system. Members of the financial aid community hold strong and divergent beliefs about the best approach to simplifying the system. Opinions differ significantly on issues such as the number of data elements and the complexity of the questions asked during the application process.

In July and August 2008, NASFAA conducted a survey of financial aid administrators to gather input on various approaches to simplifying the financial aid process and the Free Application for Federal Student Aid (FAFSA). NASFAA's Federal Issues Committee, which is composed of financial aid administrators from institutions of a broad spectrum of types and controls, developed the questionnaire. The questionnaire had four sections covering (1) the application process, (2) federal methodology, (3) the delivery system, and (4) possible pros and cons of some of the simplification suggestions. More than 1,400 financial aid administrators at NASFAA member institutions responded to the survey.

The survey results show:

- More than 90 percent of the respondents support or strongly support the use of a "smart" electronic FAFSA linked to various federal databases to populate the appropriate data. Aid administrators feel that such matches will not only help reduce excessive administrative costs and decrease application error rates, but will also enable them to spend more time in assisting individual students.
- More than 80 percent of aid administrators believe that a "smart" FAFSA will not hinder the proper administration of state or institutional grant programs.
- Aid administrators are supportive of eliminating non-pertinent items from FAFSA, using a "FAFSA Postcard" for students from low-income families, and adding "consider me for financial aid" on IRS tax forms. They believe those methods could make the aid application process less overwhelming for needy students.
- Aid administrators feel strongly that the requirements for Academic Competitiveness Grant eligibility must be simplified or standardized to reduce administrative burden.
- Aid administrators believe a federal student aid system that uses one grant, one loan, and one work program would reduce confusion and frustration currently experienced by students and families as they try to understand various types of student aid available to them.
- Aid administrators caution that since the financial aid process involves both students and institutions, no real simplification can be achieved without taking into full consideration any accompanying administrative burden on the institution.

Introduction

The complexity of the financial aid process and potential simplification methods have been the source of considerable discussion in recent years. Researchers, policymakers, and financial aid professionals have suggested numerous ideas on how to simplify the application, the formulas for determining financial need, and the delivery system. Members of the financial aid community hold diverse, intense convictions about the best approach to simplifying this system. Opinions vary significantly on issues such as how many data elements are needed to assess need and the complexity of the questions asked during the application process.

Because financial aid administrators (FAAs) at higher education institutions directly serve millions of students who depend on financial aid for their college education, FAAs are usually the first to experience the effects of public policy decisions regarding student aid and to witness the unintended consequences of ill-informed decisions. As a result, FAAs can offer the most valuable recommendations on ways to avert policy decisions that could adversely affect the intent, cost, integrity, delivery, and distribution of student aid. FAAs recognize that poor information, unfair expected family contributions, overly complicated forms, rigid processes, burdensome verification requirements, lack of coordination among funding sources, and insufficient total aid are barriers that prevent low-income students from achieving their college education goals.

In the past decade, various proposals for financial aid simplification have been made with the intention of reducing these barriers and encouraging more students to pursue higher education. In an effort to drive the discussion on simplification rather than simply reacting to it, the 2007-08 Federal Issues Committee (FIC) of the National Association of Student Financial Aid Administrators (NASFAA) developed a 39-item questionnaire on simplification issues. The survey questions were derived from methods suggested in recent simplification discussions at various financial aid state and regional student aid conferences and professional association meetings.

The purpose of the survey was to gather professional wisdom from FAAs about methods to simplify the student aid process. The survey addressed concerns such as whether simplification is needed and, if so, what must be simplified, how it might work, and what effects or unintended consequences may arise.

It is important to note that the survey questions were intended to solicit input on some of the simplification suggestions proposed by financial aid administrators in various student aid forums. Inclusion of a simplification method or procedure on the survey in no way implies endorsement or recommendation by NASFAA.

The survey questionnaire included four sections covering (1) the application process, (2) federal methodology, (3) the delivery system, and (4) possible pros and cons of some of the proposed simplification methods. In Sections 1 to 3, survey respondents were asked to indicate, on a scale of 1 to 5, how much they agree with the cited action/items that intended to simplify the financial aid process, with 1 denoting strong disagreement or opposition and 5 representing strong agreement or support.

In Section 4, survey respondents were asked to use "Yes" or "No" to estimate the likelihood for certain consequences to happen due to some of the proposed simplification endeavors. In order to detect any influence whether the type of institution would affect respondents' opinions, the survey also collected basic information regarding each respondent's institution.

At the end of the survey, respondents were encouraged to share any thoughts and comments they have on issues related to financial aid simplification. The original survey questionnaire can be found in Appendix A.

The survey was conducted by the 2008-09 Federal Issues Committee and NASFAA staff. NASFAA institutional members received the survey in mid-July 2008 to be completed and returned by early August 2008. Detailed summaries of statistical analyses of the survey results are presented below.

Survey Administration and Data Collection

The survey questionnaire was posted online at the NASFAA Web site and the survey URL was sent to 2,618 NASFAA institutional contacts with a cover letter co-signed by 2008-09 Federal Issues Committee Chair Bonnie Joerschke and 2007-08 Federal Issues Committee Chair David Sheridan. Because NASFAA’s primary contacts tend to be at upper levels of management, NASFAA also included the survey cover letter and URL in Today’s News, a daily electronic newsletter that reaches a broad spectrum of FAAs at many professional levels. Institutional main contacts were also encouraged to share the survey URL with anyone on campus they deemed to be an appropriate respondent.

Three reminders were sent during the three week survey period. At the time the survey closed, NASFAA had received 1,417 valid responses from FAAs working at all types of institutions of postsecondary education. The survey return rate was satisfactory for further statistical analyses.

Survey Statistical Analysis Methodology

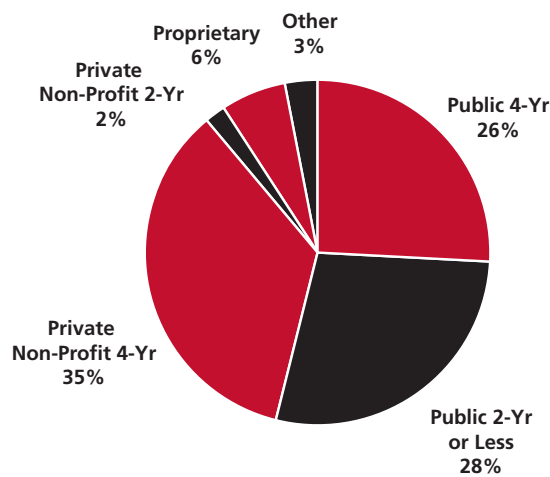
This study uses descriptive statistics of central tendency and frequency counts, and employs Analysis of Variance (ANOVA) to detect group differences among different type of institutions regarding the degree of agreement by respondents. It also uses chi-square likelihood ratio tests to examine group ratio differences on the “Yes/No” questions.

Discussion of Survey Results

Distribution of Respondent Type of Institution

As shown in Figure 1, of the 1,417 respondents, about 26 percent were from public 4-year institutions; about 28 percent, public 2-year; 35 percent, private 4-year nonprofit; 6 percent, proprietary; 3 percent, other (such as state agencies, multi-campus institutions or state system offices, etc.); and 2 percent, private nonprofit 2-year institutions.

Figure 1: Distribution of Survey Respondants by Type of Institution



This distribution was compared with the distribution of NASFAA members to guarantee a balanced representation of the different types of institutions in the survey. Results are presented in Figure 2.

Figure 2. Comparisons of Institutional Sector Distributions of NASFAA Membership and Survey Respondents

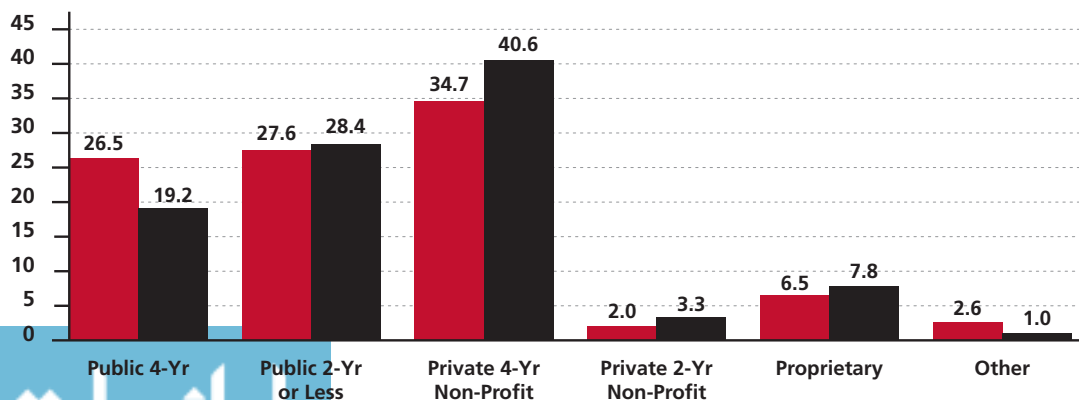


Figure 2 shows that all sectors of institutions within the NASFAA membership were adequately represented in the survey sample, with a slight overrepresentation of public 4-year or higher institutions and slight underrepresentation of the private, non-profit 4-year institutions. For example, about 19 percent of NASFAA member institutions are public 4-year or higher; about 27 percent of the survey respondents were from that sector. In contrast, about 35 percent of the respondents were from private non-profit 4-year or higher institutions, which make up about 41 percent of NASFAA's membership.

Simplifying the Application Process

Simplifying the financial aid process starts from the application process. Almost everyone who works with low-income students agrees that simplification of the FAFSA and the process of applying for student aid is one of the key issues in promoting college access for low- and moderate-income students. The current FAFSA is 10-pages long, containing 145 questions. At issue is how to simplify the FAFSA without sacrificing accuracy in targeting student aid.

Section 1 of the survey contained twelve frequently discussed options for simplifying the FAFSA and reducing the number of data elements. They are shown below. (The numbers correspond with the numbers on the questionnaire.)

1. Implement a database match between the IRS and the Department of Education (ED) to eliminate income questions on the FAFSA (verified data would be available no earlier than August)
2. Implement a "consider me for financial aid" check-off box on the 1040 to initiate the application process and possibly institute an IRS/ED database match
3. Eliminate non-pertinent items on the FAFSA, such as Selective Service registration, drug convictions, driver's license, etc.
4. Use a one-time application with no subsequent renewals. Eligibility for the student's entire undergraduate or graduate program would be determined based on the initial application
5. Permit an earlier application process that coincides with the earliest stages of the college search process (to give the student more details about eligibility as he/she begins to consider colleges; also referred to as a junior year "pre-FAFSA")
6. Your assessment of the Department of Education's "FAFSA 4-caster"
7. Use a "FAFSA Postcard" for low-income applicants receiving public assistance, food stamps, or similar benefits
8. Use a "smart" electronic FAFSA that is linked to various federal databases that could populate appropriate fields via those links
9. Permit pre-Jan 1 FAFSA submission, prior to the conclusion of the base year
10. Perform an ED/IRS database match, but solely at the student's option
11. Eliminate the FAFSA requirement if a student or parent is only applying for an unsubsidized Stafford loan and/or PLUS
12. Make Federal Work Study non need-based aid (i.e., not requiring a FAFSA) for students who wish to perform community service jobs

Respondents were asked to indicate the degree of their support for the twelve discussed methods, with five (5) indicating strong support and one (1) indicating strong opposition. The frequency distribution and mean of agreement were calculated and results are presented in Table 1.

Table 1 shows that more than 85 percent of the respondents supported or strongly supported using a "smart" electronic FAFSA that is linked to various federal databases to populate appropriate data currently collected by the FAFSA (Q8). More than 67 percent of respondents supported the idea of using database matching between IRS and ED to eliminate income questions on the FAFSA (Q1). About 14 percent of the respondents expressed some degree of opposition to this practice. More than 67 percent of respondents agreed or strongly agreed with eliminating such items on the FAFSA as Selective Service Registration, drug convictions, or driver's license (Q3). However, about 21 percent of respondents expressed opposition to this approach. Nearly 60 percent of respondents supported the idea of "implementing a 'consider me for financial aid' check-off box on federal income tax return forms to initiate the application process" (Q2). About 23 percent disagreed or strongly disagreed with this method.

Table 1. Frequency Distributions of Respondent Ratings on Simplification of Financial Aid Application (Items are ranked by their mean values)

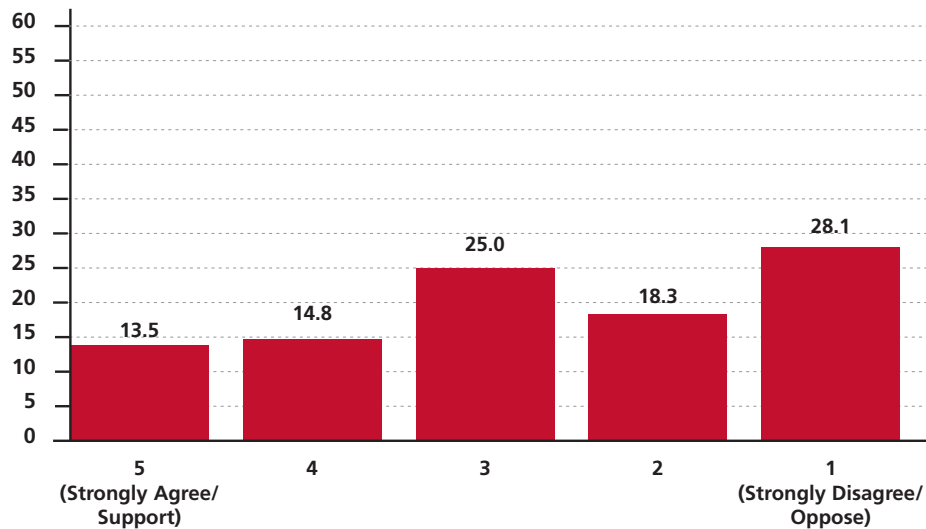
Survey Question Number	Strongly agree/support		4		3		2		Strongly disagree /oppose		Mean	Total
	N	%	N	%	N	%	N	%	N	%		
Q8	796	56.8	392	28.0	132	9.4	45	3.2	37	2.6	4.3	1,402
Q1	694	49.2	254	18.0	178	12.6	134	9.5	150	10.6	3.9	1,410
Q3	715	50.8	229	16.3	152	10.8	137	9.7	174	12.4	3.8	1,407
Q2	550	39.1	267	19.0	268	19.0	133	9.5	189	13.4	3.6	1,407
Q7	425	30.7	367	26.5	348	25.1	120	8.7	126	9.1	3.6	1,386
Q11	500	35.6	232	16.5	155	11.0	183	13.0	336	23.9	3.3	1,406
Q5	254	18.1	324	23.1	406	29.0	237	16.9	181	12.9	3.2	1,402
Q6	134	10.2	274	20.9	683	52.0	146	11.1	76	5.8	3.2	1,313
Q12	415	29.7	248	17.7	249	17.8	187	13.4	299	21.4	3.2	1,398
Q9	205	14.6	188	13.4	296	21.1	329	23.5	382	27.3	2.6	1,400
Q10	154	11.1	177	12.7	315	22.6	278	20.0	469	33.7	2.5	1,393
Q4	163	11.6	117	8.3	181	12.9	278	19.8	668	47.5	2.2	1,407

Of the methods presented, FAAs indicated using a one-time application with no subsequent renewals (Q4) as their least favorite method of simplification. About 67 percent of respondents opposed or strongly opposed this idea.

Fifty-two percent of respondents opposed permitting pre-January 1 submission of the FAFSA (Q9). While over 85 percent of FAA supported IRS/ED database matching, nearly 54 percent were against performing this match at the student's option only (Q10).

Figure 3 gives overall comparisons of degrees of support of each of the twelve methods for simplifying the financial aid application process. Items are rank ordered according to their mean values.

Figure 3. Degree of Support of Proposals Aimed at Simplifying the Financial Aid Application Process



In the comment section of the survey, respondents urged caution regarding simplifying the application process. One respondent commented, "While database integration may eliminate some problems, this does have room for errors and must be dealt with through legislation." Another FAA added, "IRS database match is a good idea in theory, but questions remain on how errors would be handled, such as if a student's parents are divorced, which parent information would you use?" Another commenter wrote, "Simplification at the application level in the past has only led to pushing the validation of student eligibility to the aid administrator's office (easy application but lots of document collection and review for us). Simplification needs to include the expected activities of aid administrators."

One FAA observed, "An ED/IRS database match would be a good idea and eliminate some verification work, but it must be available at least by March. August is way too late and would create more work for us if we had to use estimates and then repackage based on actual [data] for all students." Another wrote, "An IRS database match would be wonderful as long as prior-year income was used so that the database match could occur in a timely manner. Aid administrators could then continue to use professional judgement to affect those whose income changed drastically after the database match occurred."

Federal Methodology

About 60 percent of FAFSA questions are primarily involved in calculating the Expected Family Contribution (EFC), and about 69 percent are relevant to the EFC calculation, federal aid eligibility determination, and packaging. Can the EFC be calculated with fewer data elements? Section II of the survey focused on data element reduction and simplifying the Federal Methodology used to calculate the EFC. The methods offered in the survey included:

13. Use prior-prior year data instead of base-year income
14. Eliminate some or all untaxed income questions
15. Disregard untaxed income below a certain dollar threshold or percentage of taxable income
16. Eliminate all asset questions
17. Combine student and parent assets (for dependent students) to create a "family assets" component in place of individual parent and student asset calculations

Responses to each of the data reduction methods offered in the survey are tabulated in Table 2. About 59 percent of respondents supported or strongly supported disregarding untaxed income below a certain dollar threshold (Q15). Nearly 50 percent expressed support or strong support for combining student and parent assets (for dependent students) to create a "family assets" component in place of individual parent and student asset calculations (Q17). In contrast, nearly 60 percent of the respondents opposed the idea of eliminating all asset questions (Q16).

Table 2. Frequency Distribution of Respondent Ratings on Simplification of Federal Methodology

(Items are ranked by their mean values)

Survey Question Number	Strongly agree/support		4		3		2		Strongly disagree /oppose		Mean	Total
	N	%	N	%	N	%	N	%	N	%		
Q15	457	32.6	365	26.1	254	18.1	136	9.7	188	13.4	3.5	1,400
Q17	347	24.9	340	24.4	316	22.7	161	11.5	231	16.6	3.3	1,395
Q14	260	18.6	283	20.2	229	16.3	253	18.1	376	26.8	2.9	1,401
Q13	191	13.8	206	14.8	347	25.0	254	18.3	391	28.1	2.7	1,389
Q16	230	16.4	160	11.4	202	14.4	242	17.3	566	40.4	2.5	1,400

Figures 4 - 8 illustrate the frequency counts of respondent views on simplification of Federal Methodology. Figure 4 reveals that more FAAs opposed “using prior-prior year data” (Q13) than supported it. About 46 percent of the respondents opposed or strongly opposed this change. Only 29 percent expressed some degree of support for this method, with approximately 14 percent showing strong support. The remaining 25 percent chose neither support nor opposition.

FAAs seem to have widely divergent views on whether some or all untaxed income should be eliminated for simplification (Q14). Figure 5 shows that about 27 percent of the respondents strongly disagreed with eliminating some or all untaxed income questions; about 39 percent showed some degree of support (19 percent strongly supported and 20 percent supported this method); and about 16 percent took the middle ground.

One FAA wrote, “Why ignore substantial assets? Actually, I would like to see two changes: Eliminate negative income as allowable. Poor people do not have negative incomes. And tell me what the family is paying in mortgage interest. That one question tells me more about family financial strength than AGI. When you are paying \$22,000 in mortgage interest on AGI of \$15,000, you are not from a poor family but would be zero EFC.”

Figure 4. Frequency Distribution of Agreement on Using Prior-Prior Year Data in Financial Aid Simplification (Q13)

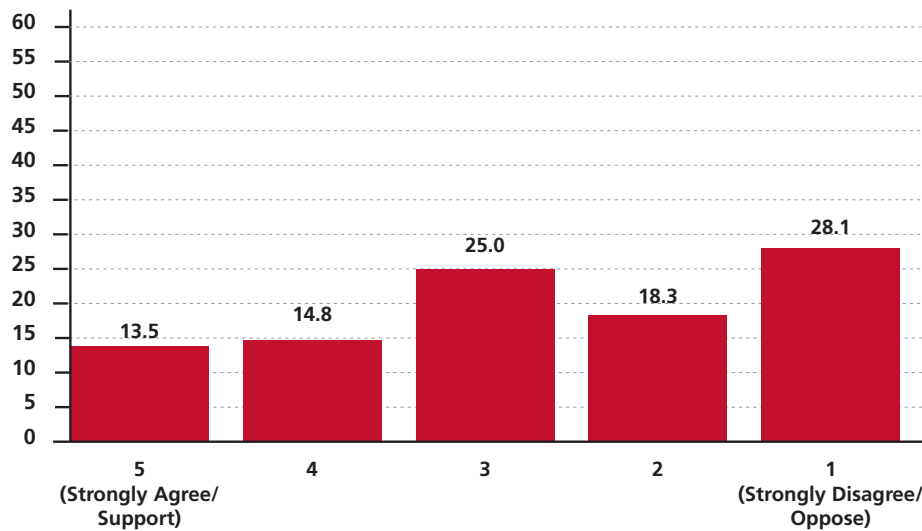


Figure 5. Frequency Distribution of Agreement on Eliminating Untaxed Income Questions (Q14)

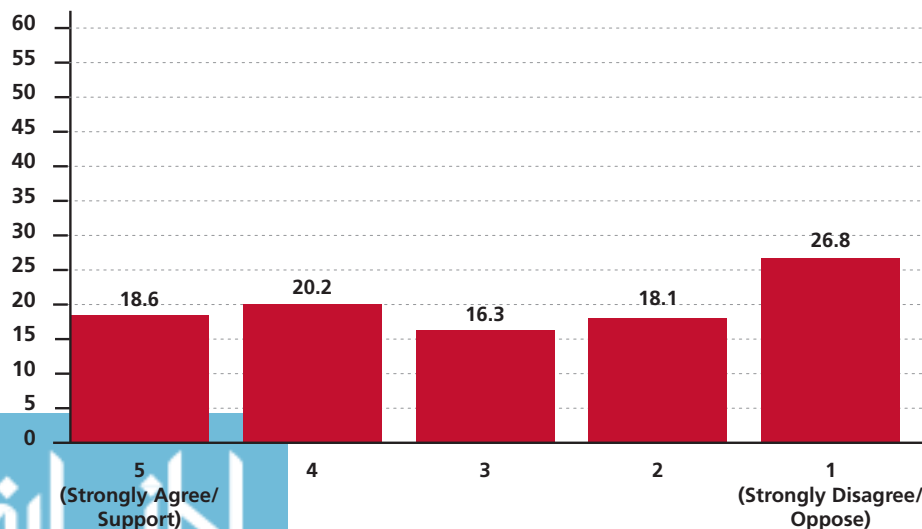


Figure 6. Frequency Distribution of Agreement on Disregarding Untaxed Income below a Threshold (Q15)

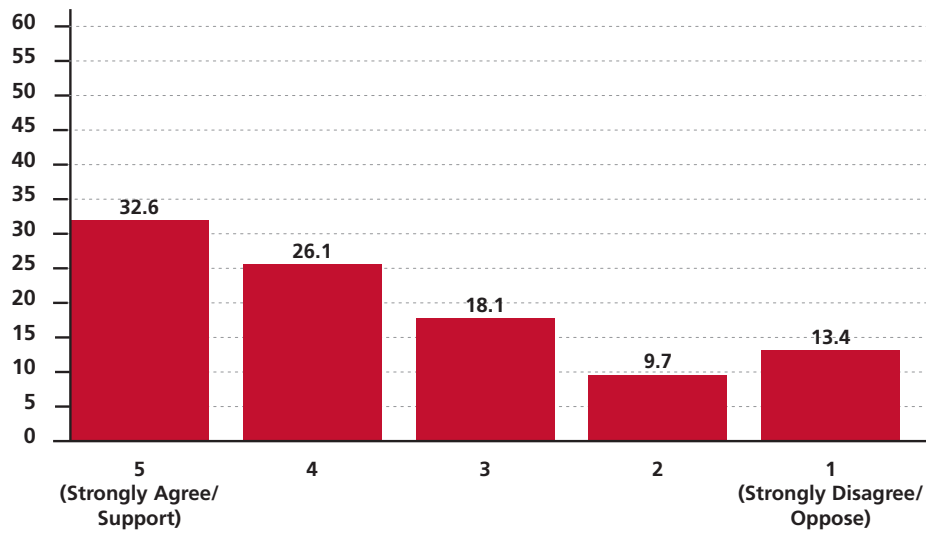


Figure 7. Frequency Distribution of Agreement on Eliminating All Asset Questions (Q16)

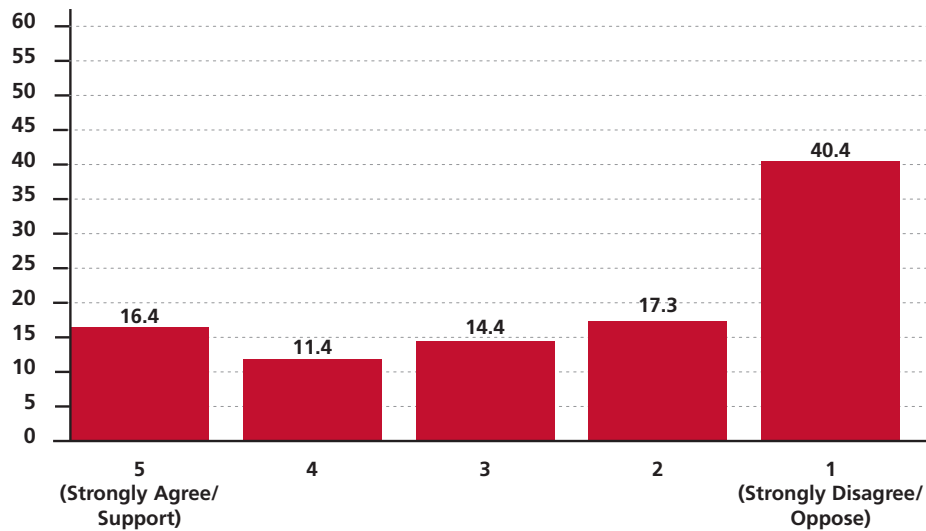
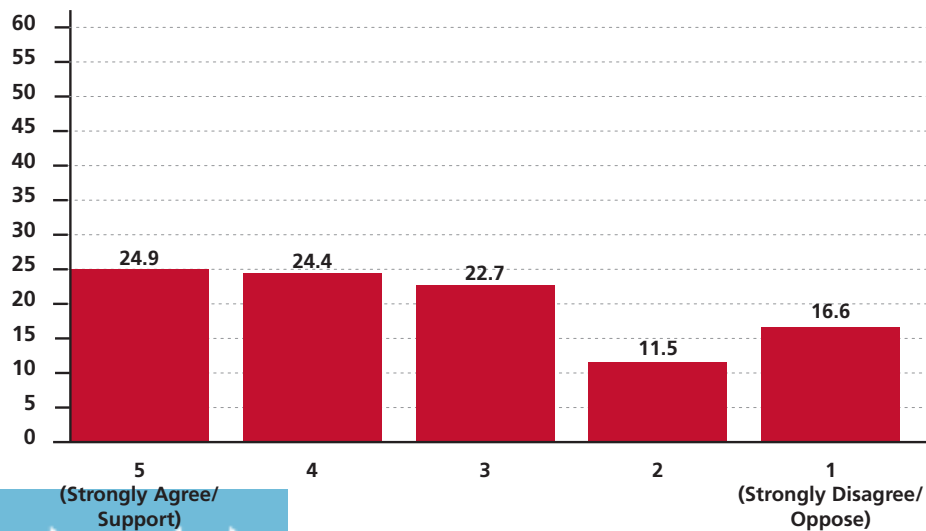


Figure 8. Frequency Distribution of Agreement on Eliminating All Asset Questions (Q16)



Another FAA wrote, "It is unfair to ignore business assets in need analysis, this should be added back. Simple needs test is not 'simple' and is a loophole for some families with big assets." One FAA adds, "I have gone in on a simulated FAFSA and entered \$1,000,000 untaxed income with no money earned from employment and the student still qualifies for Pell!"

This may explain why a majority of respondents supported the use of certain income thresholds in simplification. As Figure 6 indicates, nearly 60 percent of the respondents supported or strongly supported using a threshold to determine whether untaxed income ought to be disregarded (Q15). Approximately 13 percent of the FAAs strongly opposed this method.

The notion of eliminating all asset questions from the application (Q16) met with the strongest opposition from FAAs. About 40 percent of FAAs strongly opposed this idea and about 17 percent more opposed it but did not strongly oppose it.

The question of whether student and parent(s) assets should be combined to create family assets (Q17) received mixed responses. As Figure 8 reveals, nearly 50 percent of the FAA respondents agreed with creating a family assets category; about 23 percent were neither in favor nor opposed, about 12 percent were opposed, and about 17 percent strongly opposed this idea.

Delivery System Simplification

Most studies on financial aid simplification have focused on reducing barriers for students and families by simplifying either the FAFSA or the need analysis formulas. For example, in their study on simplifying need analysis and application for Title IV aid in 2004, the Advisory Committee on Student Financial Assistance (ACSFA) presented 10 recommendations for federal and state governments and postsecondary institutions to reduce the administrative barriers to financial aid (ACSFA, 2004). Only one of the 10 recommendations dealt with reducing administrative burdens and costs.

While simplification of the FAFSA and need analysis are greatly needed, NASFAA's Federal Issues Committee felt that adequate attention should also be given to reducing the administrative burden on the aid office to ensure timely, cost-effective distribution of student aid. The third section of the survey focused on simplifying the delivery system.

Section III presented fourteen simplification methods targeting simplifying the delivery system, including:

18. Simplify the Return to Title IV formula
19. Implement one federal grant program (similar to Pell Grants)
20. Implement one federal loan program (similar to Stafford Loans)
21. Implement one federal aid program: need analysis results determine the grant/loan mix for each applicant
22. Permit (or require) student loan repayment through payroll withholding
23. Define a student loan repayment maximum not to exceed a specified percentage of a borrower's income, regardless of the amount borrowed.
24. Permit (or require) student loan repayment through debits on income tax returns
25. Standardize the format, terminology, and content of award letters to make it easier for students and families to interpret, understand, and compare aid offers
26. Eliminate I-9 employment eligibility verification for FWS employment on the premise that aid applicants have already passed through citizenship matches
27. Eliminate the link between Title IV participation and voter registration material distribution
28. Eliminate the link between Title IV participation and Constitution Day observances
29. Make Federal Work Study Community Service requirements optional, but provide incentives such as partial waiver of institutional matching funds
30. Implement a single campus-based allocation that a school can distribute between Federal Work-Study and Federal Supplemental Education Opportunity Grant (FSEOG) as it sees fit (essentially, up to a 100% transfer between funds)
31. Simplify or standardize the requirements for a rigorous high school program for Academic Competitiveness Grant (ACG) eligibility.

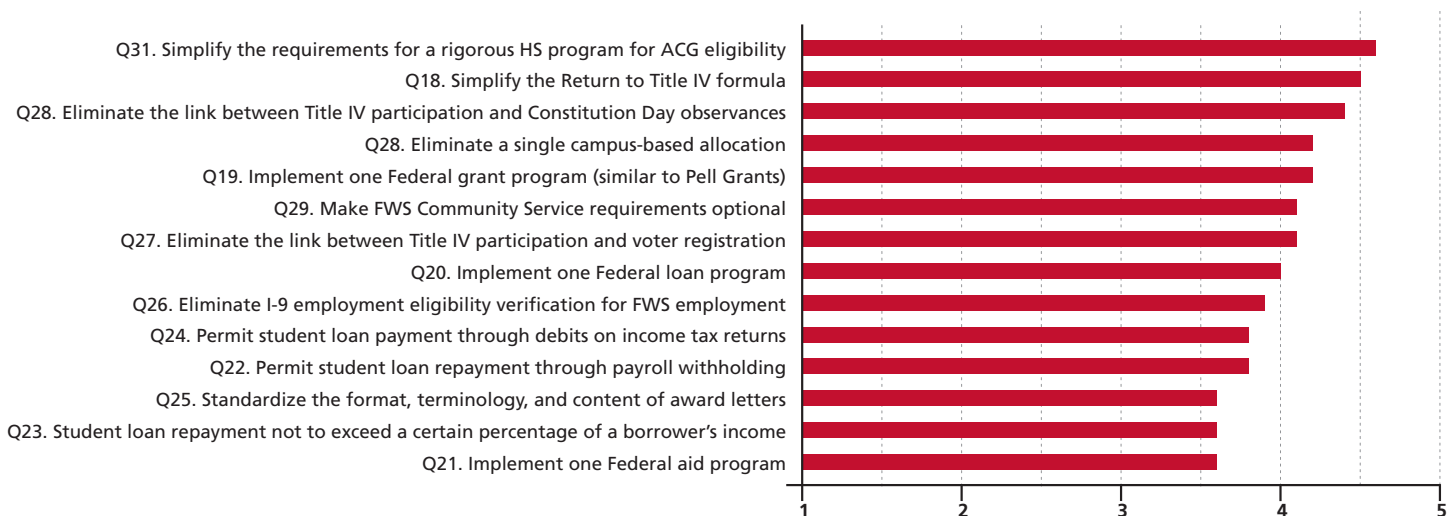
FAAs overwhelmingly supported methods discussed in questions 18, 28, and 31 (Table 3). About 89 percent of respondents supported simplifying or standardizing requirements for a rigorous high school program for ACG eligibility (Q31); about 87 percent favored simplifying the Return to Title IV formula (Q18); and about 81 percent of respondents supported eliminating the link between Title IV participation and Constitution Day observances (Q28).

Table 3. Frequency Distribution of Respondent Ratings on Simplification of Aid Delivery System
(Items are ranked by their mean values)

Survey Question Number	Strongly agree/support		4		3		2		Strongly disagree /oppose		Mean	Total
	N	%	N	%	N	%	N	%	N	%		
Q31	1076	77.0	165	11.8	116	8.3	17	1.2	24	1.7	4.6	1,397
Q18	989	70.5	231	16.5	152	10.8	17	1.2	13	0.9	4.5	1,402
Q28	981	70.1	151	10.8	178	12.7	37	2.6	53	3.8	4.4	1,400
Q19	821	58.4	255	18.1	171	12.2	68	4.8	90	6.4	4.2	1,405
Q30	812	58.2	278	19.9	201	14.4	50	3.6	55	3.9	4.2	1,395
Q27	798	57.1	197	14.1	265	19.0	61	4.4	77	5.5	4.1	1,398
Q29	709	51.2	304	22.0	232	16.8	78	5.6	61	4.4	4.1	1,384
Q20	737	52.6	245	17.5	213	15.2	90	6.4	115	8.2	4.0	1,400
Q26	688	49.0	246	17.5	246	17.5	90	6.4	133	9.5	3.9	1,403
Q22	596	42.4	341	24.2	238	16.9	109	7.7	123	8.7	3.8	1,407
Q24	542	38.5	392	27.8	272	19.3	103	7.3	99	7.0	3.8	1,408
Q21	529	38.1	248	17.9	305	22.0	139	10.0	167	12.0	3.6	1,388
Q23	487	34.6	346	24.6	262	18.6	170	12.1	142	10.1	3.6	1,407
Q25	514	36.6	330	23.5	240	17.1	149	10.6	170	12.1	3.6	1,403

All fourteen methods of delivery system simplification received support from 50 percent or more of the respondents (Figure 9). FAAs felt that simplification of the delivery system is greatly needed.

Figure 9. Comparisons of Degrees of Support by FAA on Delivery System Simplification



Simplification Impact and Consequence – An Estimate

Section IV of the survey asked NASFAA members, based on their experience and expertise, to consider the potential adverse impacts or consequences that could result from implementing some of the cited simplification schemes. Respondents answered five “yes or no” questions on ideas ranging from application error reduction rates to the management of state and institutional aid programs. The ratio of yes to no responses appears in Figures 10 - 14.

Figure 10. Would an ED/IRS database match significantly reduce the application error rate? (Q32)

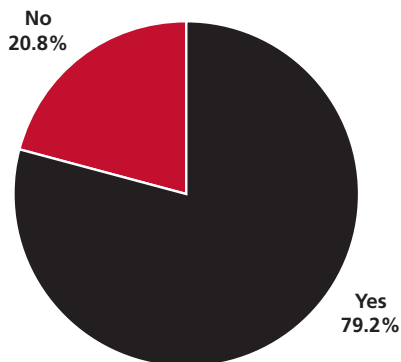


Figure 11. Does the current application for federal student aid act as a barrier to access? (Q33)

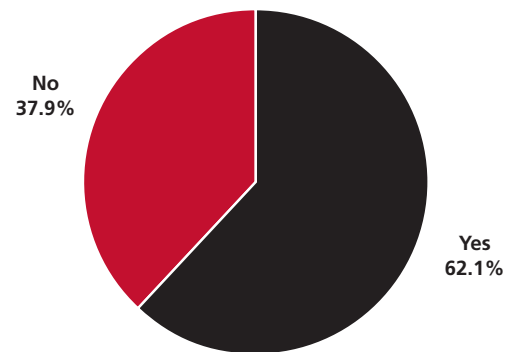


Figure 12. Should undergraduate and graduate students use different application forms? (Q34)

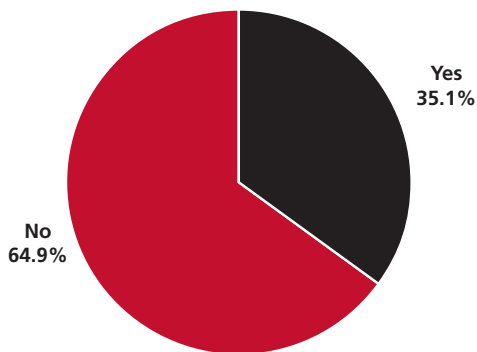


Figure 13. Could state grant programs be properly administered if the FAFSA were to be simplified as discussed in the survey? (Q35)

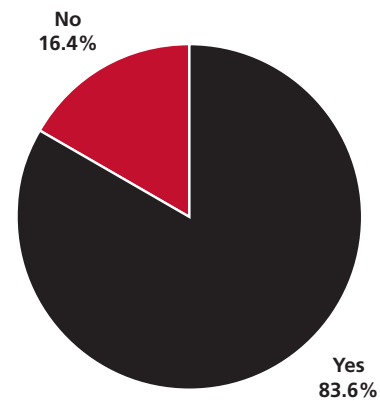
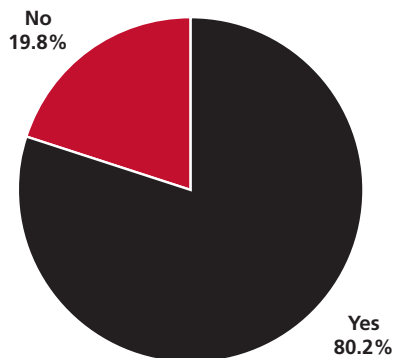


Figure 14. Could institutional grant programs be properly administered if the FAFSA were to be simplified as discussed in the survey? (Q36)



In general, FAAs tended to believe that, if done right, simplification of student aid system would not compromise the intent and integrity of the aid programs. For example, over 80 percent of the respondents believed that both state and institutional grant programs could be properly administered if the FAFSA were simplified (Figures 13 and 14). Many FAAs (79%) also indicated that an ED/IRS database match would significantly reduce the application error rate among applicants (Figure 10). About 62 percent felt that the current application form or process is a barrier to access, especially for low-income applicants. About 35 percent of the respondents believed that graduate and undergraduate students need different application forms to better serve the two different populations (Figure 12).

FAAs were also asked to estimate the likelihood for unintended consequences due to the simplification of need analysis and the Needs Test Formula. In addition, they were asked about the effectiveness of the Auto-Zero EFC as it currently exists. Table 4 presents feedback from the FAAs.

Table 4. Frequency Distribution of Respondent Prediction of Possible Consequences Due to Simplification Suggestions

Q37. Do you believe that simplification of need analysis and/or the FAFSA could have unintended consequences? (check all that apply)	Yes		No		Total N
	N	%	N	%	
a. No, I believe that simplification would be entirely beneficial	326	23.0	1,091	77.0	1,417
b. Many simplification ideas would provide well-to-do families with more loopholes that would lead to artificially increased aid eligibility	602	42.5	815	57.5	1,417
c. Many simplification ideas would negatively impact the aid administrator's ability to assess need accurately	450	31.8	967	68.2	1,417
d. Simplify the FAFSA, not need analysis	696	49.1	721	50.9	1,417
e. Simplify need analysis, not the FAFSA	152	10.7	1,265	89.3	1,417
Q38. Should the Simplified Needs Test formula be retained as it currently exists? (check all that apply)					
a. Yes, it is fine the way it is	209	14.7	1,208	85.3	1,417
b. Keep it, and adjust the income cutoff annually for inflation	661	46.6	756	53.4	1,417
c. It should be eliminated because low-income families have low EFCs anyway	382	27.0	1,035	73.0	1,417
d. It should be eliminated because it does not meet vertical or horizontal equity criteria	264	18.6	1,153	81.4	1,417
Q39. Should the Auto-Zero formula treatment be retained as it currently exists? (check all that apply)					
a. Yes, it is fine the way it is	271	19.1	1,146	80.9	1,417
b. Keep it, and adjust the income cutoff annually for inflation	629	44.4	788	55.6	1,417
c. It should be eliminated because low-income families have low EFCs anyway	351	24.8	1,066	75.2	1,417
d. It should be eliminated because it does not meet vertical or horizontal equity criteria	234	16.5	1,183	83.5	1,417

* Note: All missing values were counted as "Not Selected."

When asked if they believed that simplification of need analysis and/or the FAFSA could have unintended consequences (Q37), about 23 percent of respondents indicated that simplification would be entirely beneficial; about 43 percent felt that many simplification ideas would provide well-to-do families with more loopholes that would lead to artificially increased aid eligibility; about 32 felt that many simplification ideas would negatively impact the aid administrator's ability to assess need accurately. About 11 percent advocated simplifying need analysis, but not the FAFSA.

In evaluating the current Simplified Needs Test formula (Q38, Figure 16), about 15 percent of the respondents stated that it is fine the way it is; about 47 percent suggested keeping it, but adjusting the income cutoff annually for inflation; about 27 supported eliminating it because low-income families have low EFCs anyway; and about 19 percent believed the formula can be eliminated because it meets neither vertical nor horizontal equity criteria.

Figure 15. Frequency Tallies of Perceived Consequences of FAFSA and Need Analysis Simplification (Q38)

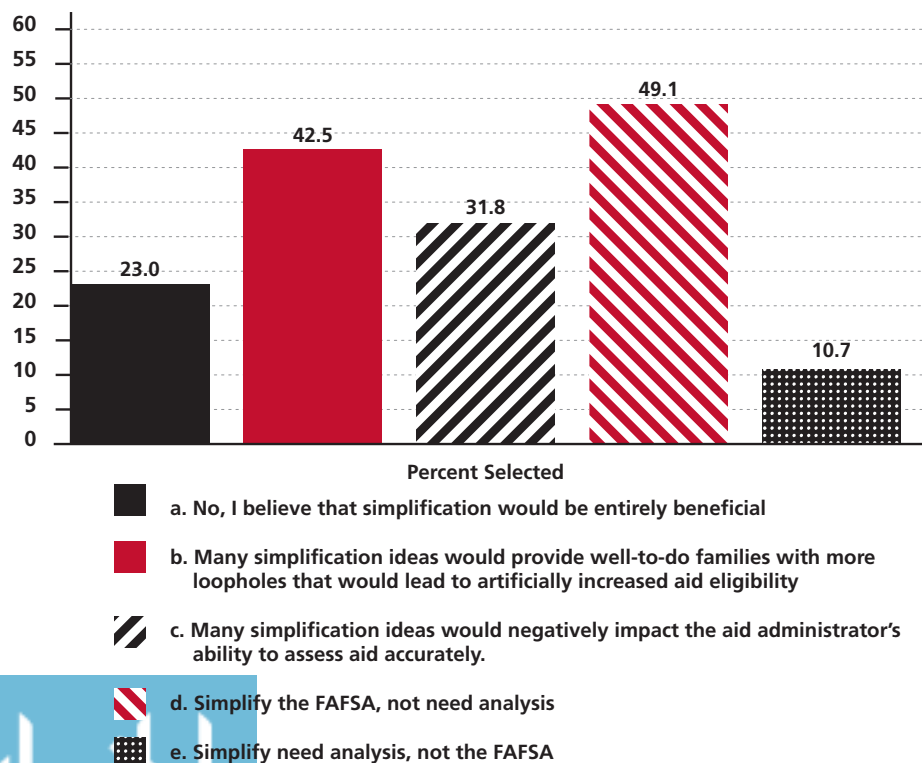
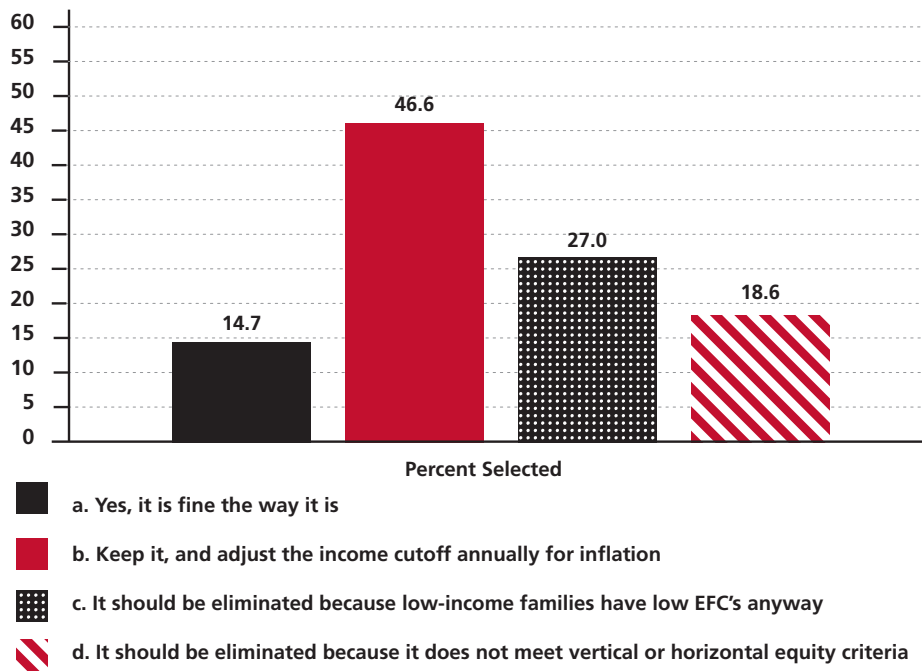
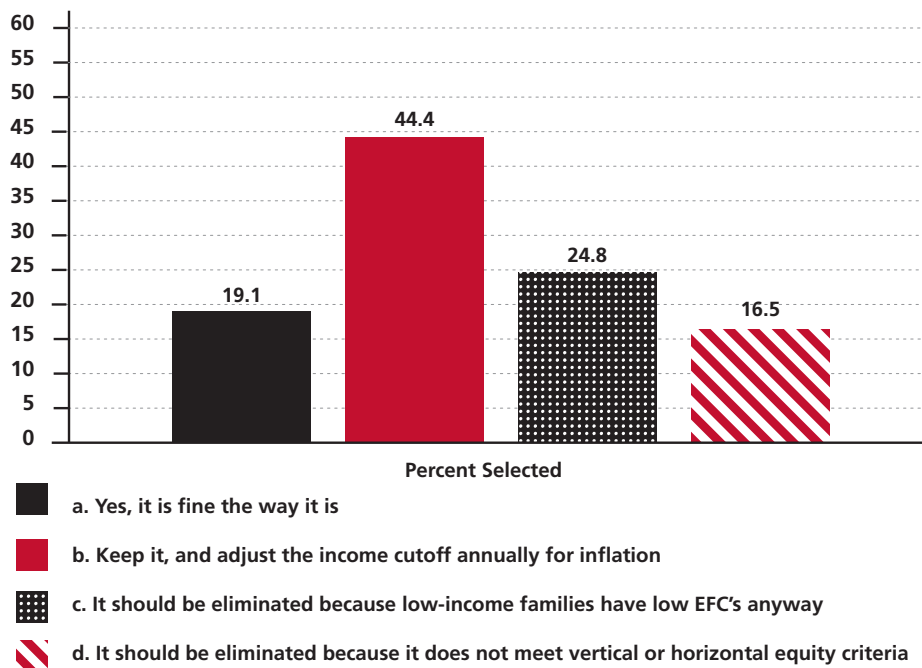


Figure 16. Frequency Tallies of Views on Simplified Needs Test Formula (Q39)



FAAs were also polled regarding their views on the current Auto-Zero EFC formula treatment. On this issue, about 19 percent of respondents considered the formula fine the way it is; about 44 percent suggested keeping it but adjusting the income cutoff annually for inflation; and about 41 percent believed it should be eliminated, as shown in Figure 17.

Figure 17. Frequency Tallies of Opinions on Retaining Current Auto-Zero EFC Formula Treatment (Q39)



One FAA wrote: "I'm VERY concerned about Auto-Zero EFC in cases where students have significant income but parents do not. I'm also concerned about simplified needs being invoked due to high-asset families receiving a needs-tested benefit that doesn't include assets in that review."

Comparisons of Group Differences in Opinion by Type of Institution

The range of different opinions found in the survey results raises the question of whether these differences in views are due to the type of institution and students served by the respondents. A one-way ANOVA was used to detect differences in the degree of support due to the type of institution the respondent serves. Tukey's Student Test was used as post-hoc test to locate group differences. Group comparisons are presented according to the three major areas covered by the survey: Application Process, Federal Methodology, and the Delivery System.

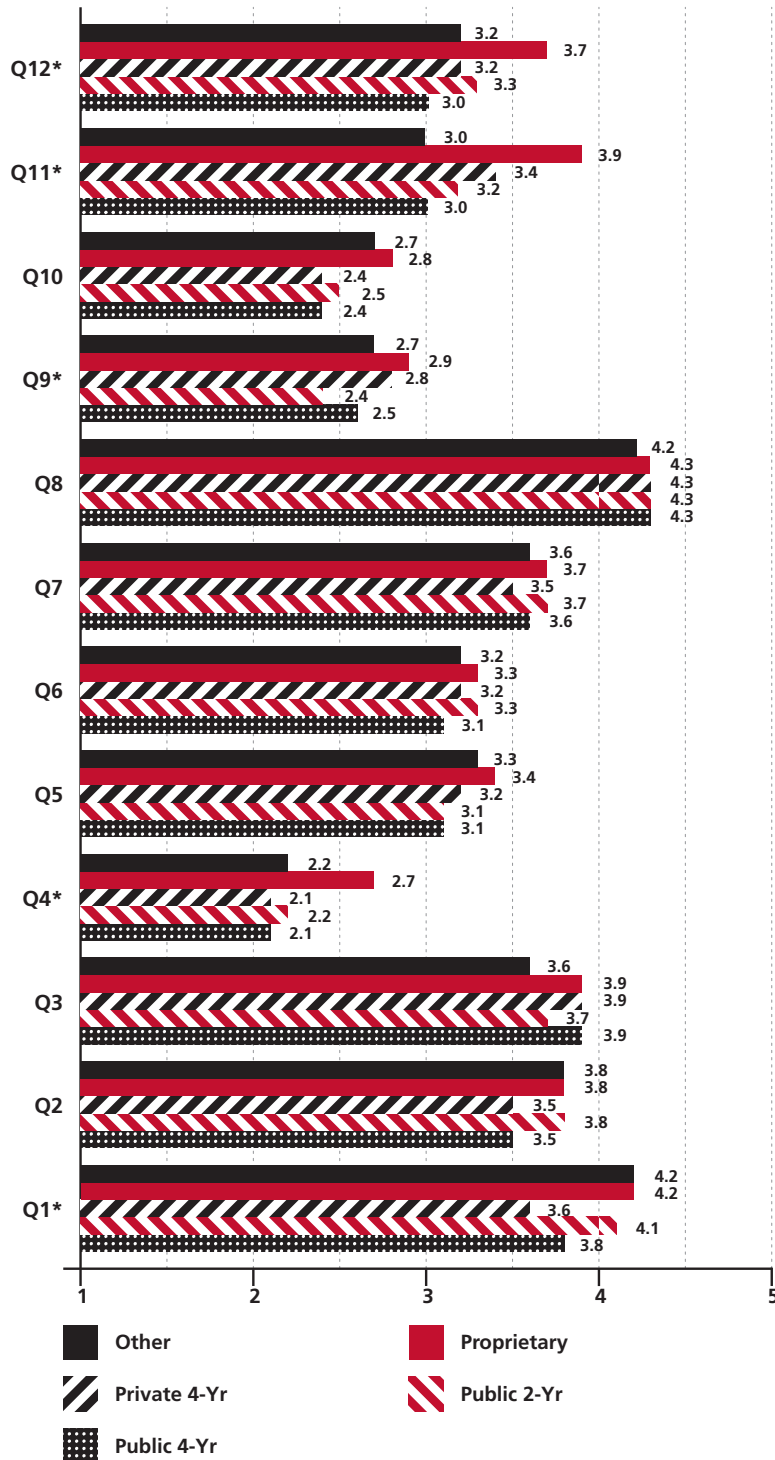
In interpreting statistical results, statistical significance needs to be separated from practical significance. Due to the large sample size, some small differences can have statistical significance, but in reality, the actual magnitude in the differences may not be significant. For example, in the case of a mean of 4.5 versus one of 4.2, statistical tests may show a significant difference, but in reality, both denote support.

In the group comparison analyses, respondents from private 2-year institutions were combined with the "other" group due to the relatively small group size for both groups.

Application Process

The first group comparisons examined relate to FAA support for simplifying the application process. Which suggested simplification method was supported (or opposed) by FAA across all types of institutions? Which method was favored by FAAs from some type of institutions, but opposed by their peers working in a different sector? These are some of the questions that concerned the survey administrators due to the complexity of the aid system that serves all sectors of the U.S. postsecondary institutions. Mean ratings of agreement/support by different types of institutions were calculated and results are displayed in Figure 18.

Figure 18. Group Rating Averages on Simplifying Application Process by Different Type of Institution



Notes:

1. The number next to "Q" indicates the item number on the survey questionnaire.
2. The asterisk next to the question number indicates significant group differences in means on the item.

As shown in Figure 18, no group differences were found for Questions 2, 3, 5, 6, 7, 8, and 10. However, FAAs did seem to differ in their responses to Questions 1, 4, 9, 11, and 12, based on the type of institutions for which they worked. Group means are re-listed in Table 5 for the five questions that show statistically significant group differences.

Table 5. Differences in Degree of Support on Simplifying Application Process by Type of Institution

	Public 4-yr	Public 2-yr	Private Non-Profit 4-yr	Proprietary	Other
Q1. Implement a database match between the IRS and the Department of Education (ED) to eliminate income questions on the FAFSA (verified data would be available no earlier than August)	3.8	4.1	3.6	4.2	4.2
Q4. Use a one-time application with no subsequent renewals; student's eligibility for the entire undergraduate or graduate degree program would be determined by the initial application	2.1	2.2	2.1	2.7	-
Q9. Permit pre-Jan 1 FAFSA submission, prior to the conclusion of the base year	-	2.4	2.8	2.9	-
Q11. Eliminate the FAFSA requirement if a student or parent is only applying for an unsubsidized Stafford loan and/or PLUS	3.0	3.2	3.4	3.9	3.0
Q12. Make FWS non need-based aid (not requiring a FAFSA) if the student is interested in a community service job	3.0	-	3.2	3.7	-

Notes:

1. The mean in bold denotes the group that statistically differs from the comparison groups (not in bold).
2. A dash indicates that the group mean is not statistically different from the comparison group.

According to Table 5, respondents from proprietary institutions seemed to be more supportive of some of the simplification ideas than their peers in other sectors of higher education. For example, regarding Q1, "Implement database match between the IRS and ED to eliminate income questions on the FAFSA," the mean support by FAAs from proprietary institutions was 4.2, in comparison with 3.6 by FAAs from private non-profit 4-year institutions and 3.8 by public 4-year institutions.

Similar patterns can be traced for four other methods. For instance, the method of a using one-time application with no subsequent renewals met with stronger opposition from public 4-year institutions (mean=2.1), public 2-year (mean=2.2), and private non-profit 4-year (mean=2.1) as compared with proprietary institutions (mean=2.7). In terms of permitting pre-January 1 FAFSA submission, the major group difference appeared in the degree of opposition from proprietary and private non-profit 4-year institutions (means=2.9 and 2.8, respectively) as compared with public 2-year institutions (mean=2.4).

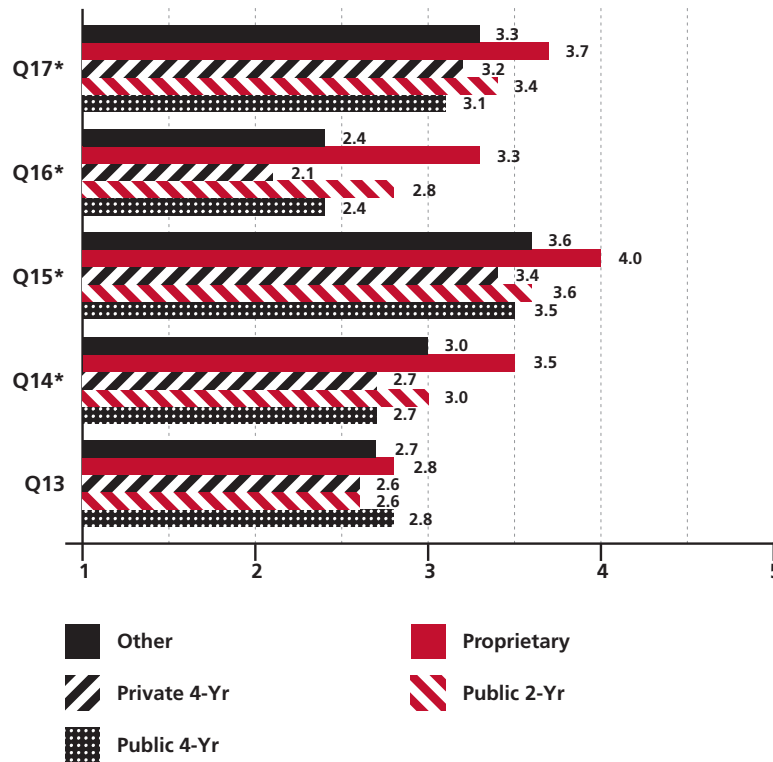
Regarding eliminating the FAFSA requirement for students or parents who are applying only for unsubsidized Stafford loans or PLUS (Q11), FAAs from proprietary institutions tended to be more supportive (mean=3.9) than their peers working in non-proprietary institutions (mean=3.0 for public 4-year institutions, 3.2 for public 2-year institutions, 3.4 for private 4-year institutions, and 3.0 for others).

FAAs from proprietary institutions tended to be more supportive of making FWS non-need based (hence not requiring FAFSA completion) if the student is interested in a community service job (Q12). The mean rating on Q12 is 3.7 for the proprietary institutions, in comparison to 3.0 for public 4-year institutions and 3.2 for private 4-year institutions.

Federal Methodology

In response to questions on simplifying federal methodology, significant group differences are found on four out of the five methods. No group difference is found regarding the use of prior-prior year data instead of base-year income (Q13). Significant group differences are found on issues such as eliminating some or all untaxed income questions (Q14), disregarding untaxed income below a certain threshold (Q15), eliminating all asset questions (Q16), and combining dependent student and parent assets to create "family assets" (Q17). Proprietary institutions appear to be more supportive than their peers from institutions in other sectors on those discussed methods regarding federal methodology. Figure 19 depicts mean ratings about federal methodology simplification methods by type of institution. Table 6 shows items where the group differences are statistically significant.

Figure 19. Group Rating Averages on Simplifying Federal Methodology by Different Type of Institution



1. The number next to "Q" indicates the item number on the survey questionnaire.
2. The asterisk next to the question number indicates significant group differences in means on the item.

Table 6. Differences in Degree of Support on Simplifying Federal Methodology by Type of Institution

	Public 4-yr	Public 2-yr	Private Non-Profit 4-yr	Proprietary	Other
Q14. Eliminate some or all untaxed income questions	2.7	3.0	2.7	3.5	-
Q15. Disregard untaxed income below a certain dollar threshold or percentage of taxable income	3.5		3.4	4.0	
Q16. Eliminate all asset questions	2.4	2.8	2.1	3.3	2.4
Q17. Combine student and parent assets (for dependent students) to create a 'family assets' component in place of individual parent and student asset calculations	3.1	-	3.2	3.7	-

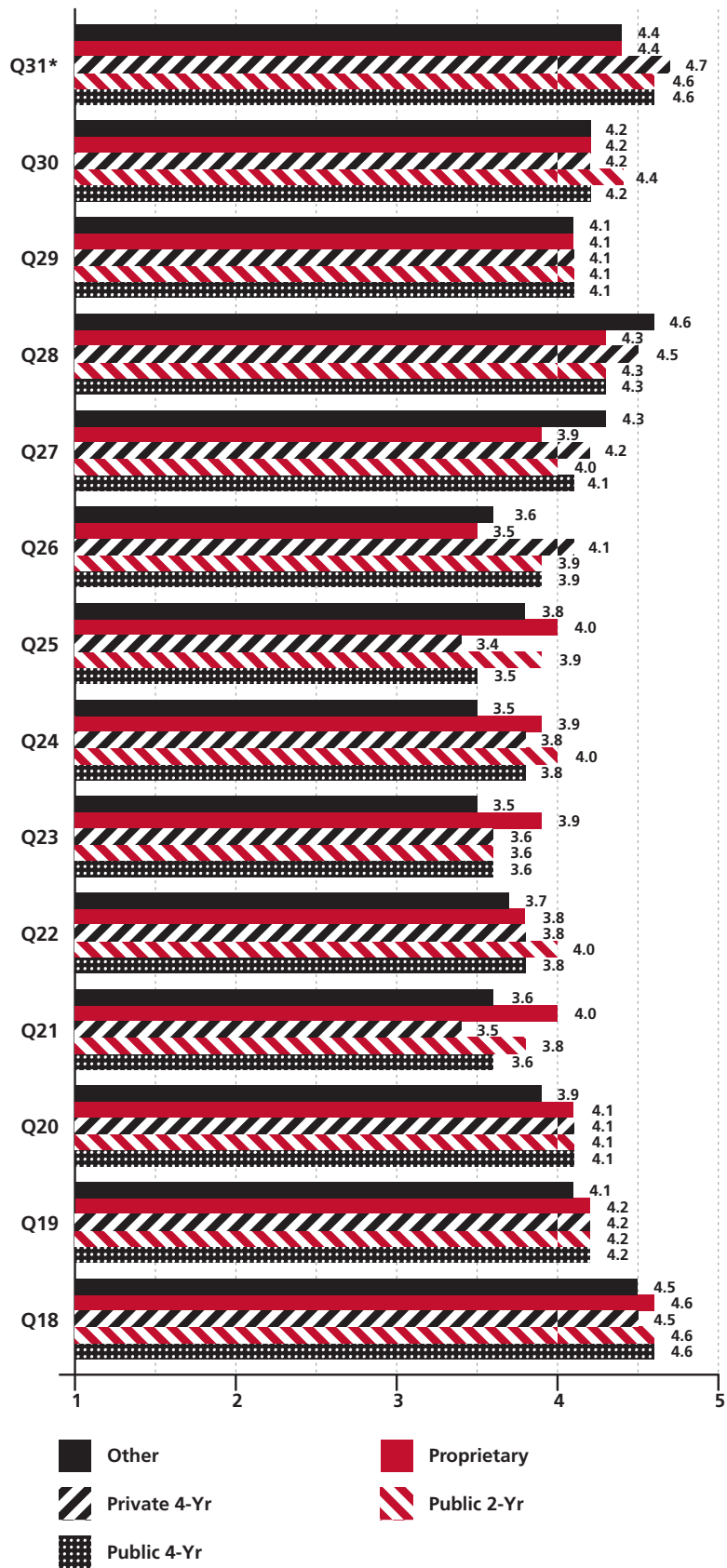
- Notes:
1. The mean in bold denotes the group that statistically differs from the comparison groups (not in bold).
 2. A dash indicates that the group mean is not statistically different from the comparison group.

As Table 6 reveals, the mean support among respondents for eliminating some or all untaxed income questions (Q14) was 3.5 in comparison with those from public 4-year institutions and private non-profit 4-year institutions (mean=2.7 for both), and from public 2-year institutions (mean=3.0). As for disregarding untaxed income below a certain dollar threshold (Q15), the mean support from FAAs at proprietary institutions was 4.0, whereas FAAs from private non-profit 4-year institutions gave an average rating of 3.4 and FAAs from the public 4-year sector gave an average of 3.5. Similar rating patterns are found on "eliminating all asset questions" (Q16) and on combining student and parent assets (for dependent students) to create a "family assets' component (Q17).

Delivery System

In terms of simplifying the delivery system, statistically significant group differences are found for Questions 21, 25, 26, 28 and 31, but not for Questions 18, 19, 20, 22, 23, 24, 27, 29 and 30. Mean ratings from the five different sectors of institutions on simplifying the Delivery System are presented in Figure 19. Table 7 presents magnitudes of the group difference on questions that yield statistical significant group differences.

Figure 20. Group Rating Averages on Simplifying the Delivery System by Different Type of Institution



Notes:

1. The number next to "Q" indicates the item number on the survey questionnaire.
2. The asterisk next to the question number indicates significant group differences in means on the item.

Table 7. Difference in Degree of Support on Simplifying the Delivery System by Type of Institution

	Public 4-yr	Public 2-yr	Private Non-Profit 4-yr	Proprietary	Other
Q21. Implement one federal aid program: need analysis results determine the grant/loan mix for each applicant	-	3.8	3.4	4.0	-
Q25. Standardize the format, terminology and content of award letters to make it easier for students and families to interpret, understand and compare aid offers	3.5	3.9	3.4	4.0	-
Q26. Eliminate I-9 employment eligibility verification for FWS employment on the premise that aid applicants have already passed through citizenship matches	-	-	4.1	3.5	-
Q28. Eliminate the link between Title IV participation and Constitution Day observances	-	4.3	4.5	-	-
Q31. Simplify or standardize the requirements for a rigorous HS program for ACG eligibility	-	-	4.7	4.4	-

Notes:

1. The mean in bold denotes the group that statistically differs from the comparison groups (not in bold).
2. A dash indicates that the group mean is not statistically different from the comparison group.

Unlike with issues regarding the application process and Federal Methodology, where FAAs from proprietary institutions showed stronger support than others, for simplifying the delivery system, proprietary institutions showed stronger support on implementing one federal aid program (Q21) and standardizing the format and terminology of award letters (Q25), but not for other methods. FAAs from private non-profit 4-year institutions tended to give stronger support (mean=4.1) to eliminating I-9 employment eligibility verification for FWS employment (Q26) than their peers in proprietary institutions (mean=3.5).

FAAs from private non-profit 4-year institutions and those from public 2-year and proprietary institutions differed in their opinions on eliminating the link between Title IV participation and Constitution Day observances and simplifying ACG eligibility requirements. However, even though the statistical tests are significant, the practical value of such differences is trivial. All of the FAAs from those two types of institutions were in support or in strong support of the two actions. The mean support by FAAs from private non-profit 4-year institutions was 4.5 for Q28. The mean support by FAAs from public 2-year institutions was 4.3.

Estimate of Consequences

Differences in respondent estimates of consequence are compared by using Chi-square Likelihood Ratio tests. The percentage of “Yes” responses by type of institution are calculated and results are presented in Figures 21 – 25. The overall percentage of “Yes” responses for each of the questions by FAAs from all institutional sectors is also presented as a comparison reference.

No group difference was found on the issue of different application forms for undergraduate and graduate student population (Q34). However, statistically significant group differences appeared for the other four simplification scenarios. Groups that differ significantly from the Chi-square tests are listed in Table 8.

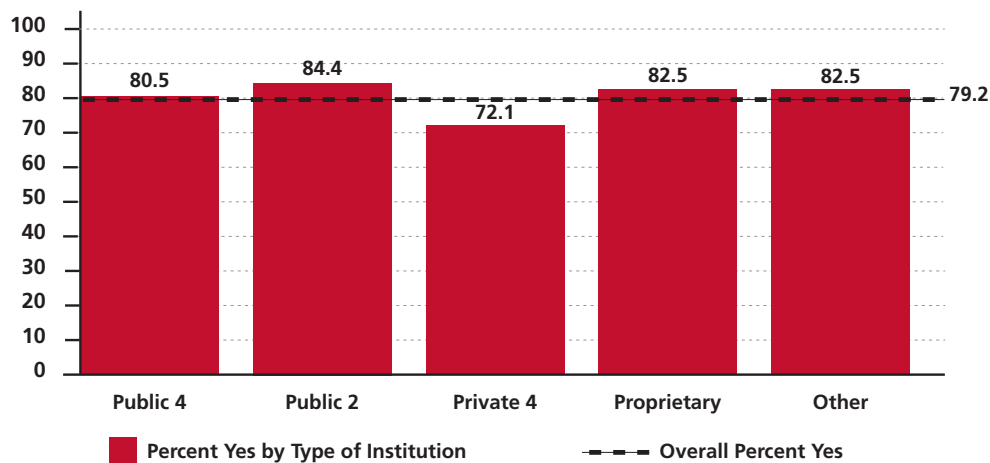


Figure 21. Percent of Respondents Who Selected “Yes” to the Use of Database Matches in Reducing Application Error Rates (Q32)

Figure 22. Percent of Respondents Who Selected "Yes" to the View that Current Financial Aid Application Form or Process Act as Barrier to Access (Q33)

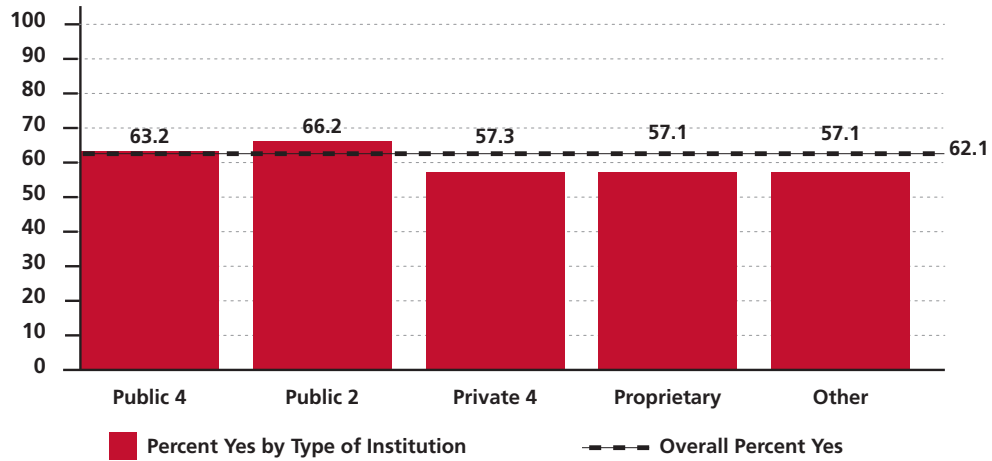


Figure 23. Percent of Respondents Who Selected "Yes" to the View that Different Applications Should Be Used for Different Student Populations (Q34)

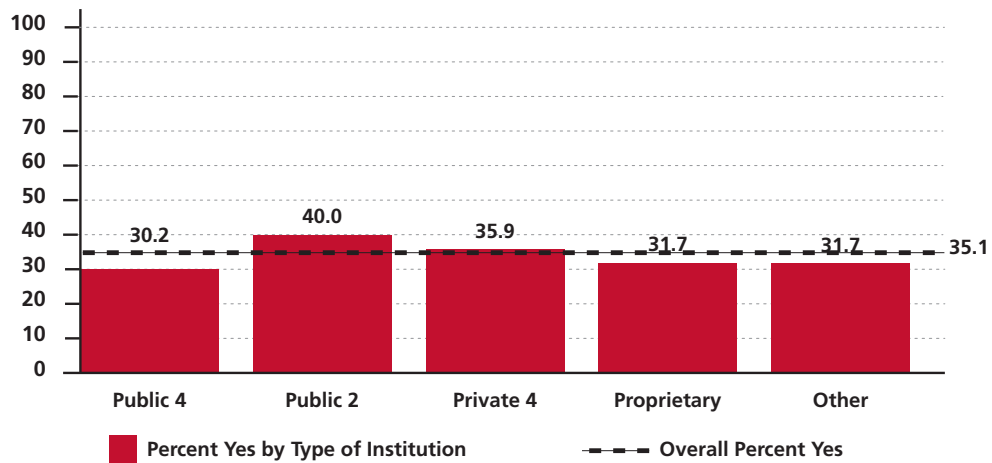


Figure 24. Percent of Respondents Who Selected "Yes" to the View that State Grant Programs Can Be Properly Administered if the FAFSA Is Simplified as Discussed in the Survey (Q35)

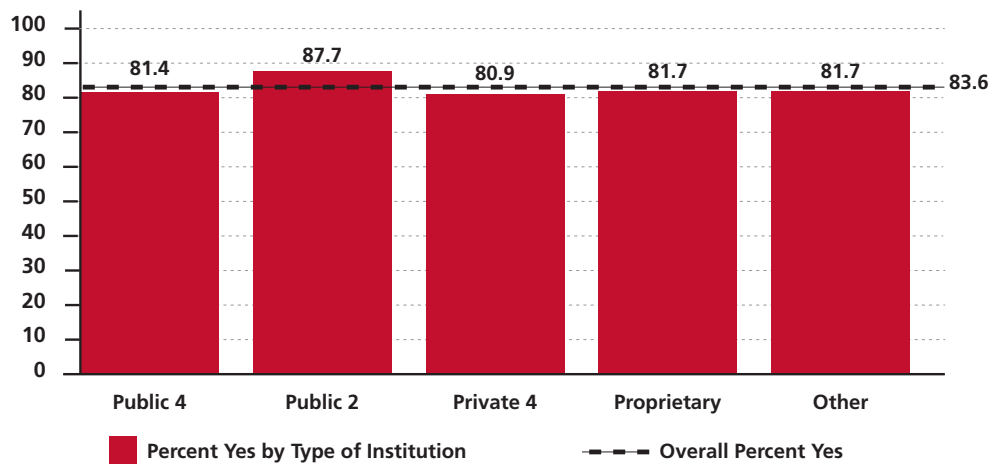
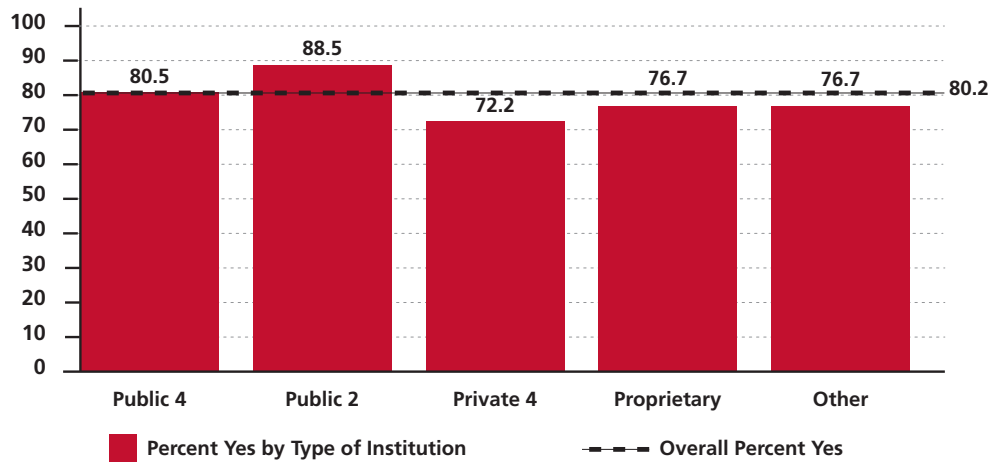


Figure 25. Percent of Respondents Who Selected “Yes” to the View that Institutional Grant Programs Can Be Properly Administered if the FAFSA Is Simplified as Discussed in the Survey (Q36)



As shown in Table 8, more FAAs working in public 2-year institutions tended to select “yes” than their peers in private 4-year institutions on questions about whether ED/IRS data matches would reduce the application error rates (Q32), the current FAFSA acts as a barrier to college access (Q33), state grant programs could be properly managed with a simplified FAFSA (Q35), and institutional grant programs could be properly administered with a simplified FAFSA (Q36). No group difference was found among FAAs in public 4-year institutions, proprietary institutions or in the sector labeled “other” on the aforementioned issues.

Table 8. Difference in Percentage of Respondents Who Selected “Yes” in Estimating Consequences, by Type of Institution

	Public 4-yr	Public 2-yr	Private Non-Profit 4-yr	Proprietary	Other
*Q32. Do you believe that an ED/IRS database match would significantly reduce the application error rate among your school's applicants?	-	84.4	72.1	-	-
*Q33. Does the application form or process as they currently exist act as a barrier to access, especially among low-income applicants and/or those with limited English skills?	-	66.2	57.3	-	-
*Q35. Do you think that state grant programs can be properly administered if the FAFSA was to be simplified in some of the ways discussed in this survey?	-	87.7	80.9	-	-
*Q36. Do you think that institutional grant programs can be properly administered if the FAFSA was to be simplified in some of the ways discussed in this survey?	-	88.5	72.2	-	-

Notes:

*Chi-square test is statistically significant at $p < .001$

Bold font indicates the group difference is statistically significant at $p < .001$.

Dashes (“-”) indicate that no significant group differences are found for those groups.

For example, about 84 percent of respondents from public 2-year institutions responded “Yes” when asked if they believe that an ED/IRS database match would significantly reduce the application error rate (Q32), whereas 72 percent from private 4-year institutions gave the same answer. Regarding whether the current application form or process acts as a barrier to access, over 66 percent respondents from public 2-year institutions selected “Yes” in comparison with 57 percent from private 4-year institutions. In terms of estimating if state (Q35) or institutional (Q36) grants could be properly managed when FAFSA simplification is carried out in some of the ways discussed in the survey, about 88 percent from public 2-year institutions chose “Yes” for state grants and for institutional grants. In comparison, 81 percent of private 4-year institutions chose “Yes” for state grants (Q35) and 72 percent for institutional grants (Q36).

Commenter Recommendations and Cautions

At the end of the survey, FAAs shared their thoughts on simplification as a complement to the issues discussed in the survey. More than two hundred recommendations, cautions, and thoughts were received. An observation by one FAA may speak for all:

“To the extent possible, it is important to optimize simplification without reducing equity in the distribution of scarce financial aid resources. This is a very significant challenge, as simplification, if not balanced properly with equity, can lead to reduced integrity in aid program administration.”

Summary

As this survey clearly shows, FAAs feel strongly that the current financial aid system—including the application form, application process, need analysis methodology, and the student financial aid programs themselves—must be simplified in order to achieve its objectives of helping needy students to attend college.

More than 90 percent of the respondents supported or strongly supported the use of a “smart” electronic FAFSA that is linked to various federal databases to populate the appropriate data. FAAs deem such matches will not only help reduce excessive administrative costs and decrease application error rates, but will also enable them to spend more time in assisting individual students. More than 80 percent of aid administrators indicated that “smart” FAFSA will not hinder the proper administration of state or institutional grant programs.

FAAs support eliminating non-pertinent items from the FAFSA, using a “FAFSA Postcard” for students from low-income families and adding “consider me for financial aid” on IRS forms to initiate the financial aid application process. They believe those methods could make the aid application process less overwhelming for needy students.

FAAs believe that a federal student aid system that uses one grant, one loan, and one work program would reduce confusion and frustration currently experienced by students and families as they try to understand various types of loan and grant programs. They urge that the requirements for ACG eligibility be simplified or standardized in order to reduce administrative burden on the institutions so that aid administrators can spend more time with individual students.

FAAs caution that since financial aid administration involves both students and institutions, no real simplification can be achieved without taking into full consideration any accompanying administrative burden.

Due to the diverse student population served by NASFAA-membership institutions, respondents of this survey working at different types of institutions tended to have somewhat divergent opinions regarding some of the simplification methods. Most of the differences in views were between FAAs working in proprietary institutions and those working in non-profit sectors. Within the non-profit sector, the differences in views were between FAAs working in public 2-year institutions and those working in private 4-year institutions.

References

The Advisory Committee on Student Financial Assistance. The student aid gauntlet: making access to college — final report of the special study of simplification of need analysis and application for Title IV aid. Retrieved August, 2008 from <http://www.ed.gov/about/bdscomm/list/acfsa/gauntletcorrected.pdf>

Appendix A

Financial Aid Simplification Survey

Much has been written and said in recent years regarding the perceived need for “simplification” of several aspects of financial aid, including the application, the formulae, and the delivery system. These forms and processes have been cited as the reason for confusion, frustration, even missed opportunities, as some have pointed to complex procedures and applications as an obstacle to college access itself.

NASFAA is seeking to gather information and opinions from its membership on simplification: whether or not it’s needed; if so, where it’s needed; how it might work; and what impacts or unintended consequences simplification could have.

There are a number of divergent and strongly held beliefs within the financial aid community about simplification. In order to be driving this discussion rather than reacting to it, it is important that NASFAA learns as much about its members’ beliefs as possible as this topic inevitably moves forward among lawmakers, students, parents, economists, and educators.

Please indicate how much you agree that each action/item would simplify the financial aid delivery system. Use a scale of 1 to 5, with 1 = strongly disagree/oppose and 5 = strongly agree/support.

Please note that this survey is intended only to elicit positions of the membership on these items. Inclusion of scenarios or ideas in this survey does not constitute endorsement or advocacy on the part of NASFAA or the Federal Issues Committee.

1) A. Application Process

	Strongly agree/support			Strongly disagree/oppose	
	5	4	3	2	1
1. Implement a database match between the IRS and the Department of Education (ED) to eliminate income questions on the FAFSA (verified data would be available no earlier than August)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Implement a “consider me for financial aid” check-off box on the 1040 to initiate the application process and possibly an IRS/ED database match	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Eliminate non-pertinent items on the FAFSA, such as Selective Service registration, drug convictions, driver’s license, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Use a one-time application with no subsequent renewals; student’s eligibility for entire undergraduate or graduate degree program would be determined by the initial application	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Permit an earlier application process that coincides with the earliest stages of the college search process (to give the student more details about eligibility as he/she begins to consider colleges; also referred to as a junior year “pre-FAFSA”)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Your assessment of the Department of Education’s “FAFSA 4-caster”	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Use a FAFSA “postcard” for low income applicants receiving public assistance, food stamps or similar benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Use a “smart” electronic FAFSA that is linked to various Federal databases that could populate appropriate fields via those links	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Permit pre-Jan 1 FAFSA submission, prior to the conclusion of the base year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Perform an ED/IRS database match, but solely at the student’s option	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Eliminate the FAFSA requirement if a student or parent is only applying for an unsubsidized Stafford loan and/or PLUS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Make FWS non need-based aid (not requiring a FAFSA) if the student is interested in a community service job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2) B. Federal Methodology

	Strongly agree/support			Strongly disagree/oppose	
	5	4	3	2	1
13. Use prior-prior year data instead of base year income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Eliminate some or all untaxed income questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Disregard untaxed income below a certain dollar threshold or percentage of taxable income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Eliminate all asset questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Combine student and parent assets (for dependent students) to create a “family assets” component in place of individual parent and student asset calculations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3) C. Delivery System

	Strongly agree/support			Strongly disagree/oppose	
	5	4	3	2	1
18. Simplify the Return to Title IV formula	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Implement one Federal grant program (similar to Pell Grants)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Implement one Federal loan program (similar to Stafford Loans)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Implement one Federal aid program: need analysis results determine the grant/loan mix for each applicant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Permit (or require) student loan repayment through payroll withholding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Student loan repayment not to exceed a certain percentage of a borrower's income, regardless of the amount borrowed (meaning that some students' debt will be decreased if they are working at a lower paying job)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Permit (or require) student loan repayment through debits on income tax returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25. Standardize the format, terminology and content of award letters to make it easier for students and families to interpret, understand and compare aid offers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26. Eliminate I-9 employment eligibility verification for FWS employment on the premise that aid applicants have already passed through citizenship matches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27. Eliminate the link between Title IV participation and voter registration material distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28. Eliminate the link between Title IV participation and Constitution Day observances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29. Make FWS Community Service requirements optional, but provide incentives such as partial waiver of institutional matching funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Implement a single campus-based allocation that a school can distribute between FWS and SEOG as it sees fit (essentially, up to a 100% transfer between funds)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. Simplify or standardize the requirements for a rigorous HS program for ACG eligibility.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4) Please use "Yes" or "No" to answer the following questions:

	Yes	No
32. Do you believe that an ED/IRS database match would significantly reduce the application error rate among your school's applicants?	<input type="checkbox"/>	<input type="checkbox"/>
33. Does the application form or process as they currently exist act as a barrier to access, especially among low-income applicants and/or those with limited English skills?	<input type="checkbox"/>	<input type="checkbox"/>
34. Do we need different applications for different populations, such as graduate and undergraduate?	<input type="checkbox"/>	<input type="checkbox"/>
35. Do you think that state grant programs can be properly administered if the FAFSA was to be simplified in some of the ways discussed in this survey?	<input type="checkbox"/>	<input type="checkbox"/>
36. Do you think that institutional grant programs can be properly administered if the FAFSA was to be simplified in some of the ways discussed in this survey?	<input type="checkbox"/>	<input type="checkbox"/>

5) 37. Do you believe that simplification of need analysis and/or the FAFSA could have unintended consequences? (check all that apply):

- a. No, I believe that simplification would be entirely beneficial
- b. Many simplification ideas would provide well-to-do families with more loopholes that would lead to artificially increased aid eligibility;
- c. Many simplification ideas would negatively impact the aid administrator's ability to assess need accurately
- d. Simplify the FAFSA, not need analysis
- e. Simplify need analysis, not the FAFSA

6) 38. Should the Simplified Needs Test formula be retained as it currently exists? (check all that apply):

- a. Yes, it is fine the way it is
- b. Keep it, and adjust the income cutoff annually for inflation
- c. It should be eliminated because low income families have low EFC's anyway
- d. It should be eliminated because it does not meet vertical or horizontal equity criteria

7) 39. Should the Auto-Zero formula treatment be retained as it currently exists? (check all that apply):

- a. Yes, it is fine the way it is
- b. Keep it, and adjust the income cutoff annually for inflation
- c. It should be eliminated because low income families have low EFC's anyway
- d. It should be eliminated because it does not meet vertical or horizontal equity criteria

8) 40. In which State is your institution located?

- | | | | | |
|---|---|-------------------------------------|---|--|
| <input type="checkbox"/> Alabama | <input type="checkbox"/> Alaska | <input type="checkbox"/> Arizona | <input type="checkbox"/> Arkansas | <input type="checkbox"/> California |
| <input type="checkbox"/> Colorado | <input type="checkbox"/> Connecticut | <input type="checkbox"/> Delaware | <input type="checkbox"/> D.C. | <input type="checkbox"/> Florida |
| <input type="checkbox"/> Georgia | <input type="checkbox"/> Hawaii | <input type="checkbox"/> Idaho | <input type="checkbox"/> Illinois | <input type="checkbox"/> Indiana |
| <input type="checkbox"/> Iowa | <input type="checkbox"/> Kansas | <input type="checkbox"/> Kentucky | <input type="checkbox"/> Louisiana | <input type="checkbox"/> Maine |
| <input type="checkbox"/> Maryland | <input type="checkbox"/> Massachusetts | <input type="checkbox"/> Michigan | <input type="checkbox"/> Minnesota | <input type="checkbox"/> Mississippi |
| <input type="checkbox"/> Missouri | <input type="checkbox"/> Montana | <input type="checkbox"/> Nebraska | <input type="checkbox"/> Nevada | <input type="checkbox"/> New Hampshire |
| <input type="checkbox"/> New Jersey | <input type="checkbox"/> New Mexico | <input type="checkbox"/> New York | <input type="checkbox"/> North Carolina | <input type="checkbox"/> North Dakota |
| <input type="checkbox"/> Ohio | <input type="checkbox"/> Oklahoma | <input type="checkbox"/> Oregon | <input type="checkbox"/> Pennsylvania | <input type="checkbox"/> Rhode Island |
| <input type="checkbox"/> South Carolina | <input type="checkbox"/> South Dakota | <input type="checkbox"/> Tennessee | <input type="checkbox"/> Texas | <input type="checkbox"/> Utah |
| <input type="checkbox"/> Vermont | <input type="checkbox"/> Virginia | <input type="checkbox"/> Washington | <input type="checkbox"/> West Virginia | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Wyoming | <input type="checkbox"/> Other (please specify) _____ | | | |

9) 41. What is the type of institution that you are working for?

- Public
- Private not-for-profit
- Private for-profit

10) 42. What is the level of your institution?

- Less than 2-year
- 2-year but less than 4-year
- 4-year or higher

11) 43. What was the year that you first started working as a financial aid administrator? _____(YYYY)

12) 44. In the space provided below, please share with us any comments you have on issues related with financial aid simplification.

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Appendix B. **About the Authors**

The National Association of Student Financial Aid Administrators

The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 14,000 financial aid professionals at nearly 3,000 colleges, universities, and career schools across the country. Each year, financial aid professionals help more than 16 million students receive funding for postsecondary education. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators.

The survey report was prepared by NASFAA Director of Research and Policy Analysis Meihua Zhai, on behalf of the 2007-08 and 2008-09 Federal Issue Committees.

NASFAA's Federal Issues Committee

The primary purpose of the Federal Issues Committee is to maintain an awareness of federal issues that are important to financial aid administrators by networking with state and regional associations and monitoring available information to stay current on those issues. The Committee consults with the Membership periodically and recommends positions on appropriate issues for consideration by the Board of Directors. The Committee also assists with the preparations for negotiated rulemaking and related on-going activities.

Federal Issues Committee Members 2007-08

David Sheridan, 2007-08 (Committee Chair), Union County College, NJ
Laurie A. Wolf, 2007-08 (Commission Director), Des Moines Area Community College
Charles W. Bruce, Oklahoma State University,
Patricia Hurley, Glendale Community College
Bonnie C. Joerschke, Purdue University (later the University of Georgia, GA)
Brenda Maigaard, University of Kansas
Marie R. Mons, Georgia Institute of Technology
Moshe Z. Weisberg, Rabbinical College
Joan Berkes, NASFAA staff
Larry Zaglaniczny, NASFAA staff

Federal Issues Committee Members 2008-09

Bonnie C. Joerschke, 2008-09 (Committee Chair) University of Georgia
Brent B. Tener, 2008-09 (Commission Director), Vanderbilt University
David Cecil, Transylvania University
Dan Davenport, University of Idaho
Heather C. McDonnell, Sarah Lawrence College
Barbara L. McFall Marshall, University of Denver
Gwen Nixon, Louisiana Technical College/ Louisiana Community & Technical College System
Robert M. Zellers, Ball State University
Philip R. Day, Jr., NASFAA president and CEO
Joan Berkes, NASFAA staff
Justin Draeger, NASFAA staff
Elizabeth Guerard, NASFAA staff
Larry Zaglaniczny, NASFAA staff

