

Legislation Could Simplify Financial Aid Application Process

By Carina Zaragoza



In a bipartisan effort, both Democrats and Republicans are calling for a simplification of the financial aid application process. Both parties last month voted in approval of a bill that would allow applicants to simply check a box on their tax returns. Certain information required for financial aid would then be directly sent to the Department of Education. This information would automatically answer questions found on the Free Application for Federal Student Aid (FAFSA).

The proposed legislation is so popular it is anticipated that the bill will be made into law later this year. Recent studies and reports are in part responsible for the move to simplify the financial aid application process. One such study was conducted by Susan Dynarski and Judith E. Scott-Clayton, economists at Harvard University. The study, *Complexity and Targeting in Federal Student Aid: A Quantitative Analysis*, finds that it takes 10 hours for families to complete the FAFSA. Having to use previous years' tax returns initially and then revising the application with the current year's tax return is part of the reason it takes so long.

These findings are in direct contradiction to the Department of Education's assertion that it takes families only one hour to complete and submit the FAFSA. The FAFSA is comprised of 127 questions, most of which ask about specifics of income.

Some critics of the proposed change, among them Dynarski and Scott-Clayton, indicate the new, streamlined method would allow some wealthy families to inappropriately collect financial aid. Others point out that the new method would not help the sector of the population that most needs financial aid. Lower-income families might not file their tax returns online, which is how the new check-box system would work. Thus, these families would still have to use the traditional method of filling out and submitting the FAFSA. Plus, lower-income families may not file tax returns, so the check-box method would be of no use to them.

Further deliberation of the bill has not been scheduled.

Meanwhile, the recent trend of Ivy League schools completely restructuring their financial aid programs continues. Just this week Brown University joined the list by replacing loans with grants. Loans will be completely eliminated from financial aid packages for families earning less than \$100,000. Contributions of any amount will not be required from families earning less than \$60,000. Similar moves were recently made by Stanford University and Washington University in St. Louis.

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[Financial Aid Study](#)

[Brown University Revises Financial Aid Program](#)

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