Aim Higher

Access | Affordability | Completion

Simple FAFSA Act of 2017

While most students are eligible for some form of federal student aid, thousands of eligible students fail to access available financial aid each year. Data show that students who complete the Free Application for Federal Student Aid (FAFSA) are <u>more likely to attend and complete college</u> than students who do not complete the form. Simplifying the FAFSA process will not only ensure that more working families have access to federal student aid, but also increase college enrollment and completion.

The **Simple FAFSA Act of 2017** amends the Higher Education Act to remove barriers for students seeking federal financial aid by simplifying the FAFSA and increasing support for vulnerable populations by:

- **Creating three pathways.** The bill reduces the number of questions on the FAFSA by placing the applicant into one of three pathways based on the complexity of a student's (or in the case of a dependent student, the student's parents) finances.
- Allowing very low-income students and families to qualify for a full Pell Grant. The bill creates an automatic zero estimated family contribution (EFC) for applicants who received a means-tested federal benefit in the previous two years. Additionally, for applicants who did not receive one of these benefits but who have simple tax returns, this bill fully reverses cuts to the income threshold at which a student receives a zero dollar EFC back to \$34,000 and pegs it to inflation. It also removes the requirement that independent students have dependents in order to be eligible for an automatic zero EFC.
- Increasing support for working students. This bill reduces the "work penalty" that many students face when working to support themselves and offset rising college costs. By enacting a 35 percent increase to the income protection allowance (IPA) for working students, this bill will shield more of their income from any offset to financial aid.
- **Requiring the FAFSA to be filed only one time.** Simplifies the FAFSA for low-income students by requiring dependent Pell Grant recipients to file a FAFSA just once before going to college, as opposed to the required annual filing.
- **Permitting use of income data from the previous year.** Permits applicants to use income data from the previous year's tax return on the FAFSA.
- **Providing the FAFSA in multiple languages.** Requires the Secretary to provide the FAFSA in at least 11 foreign languages most often spoken by English learner students and their parents. Also requires the FAFSA to be available in formats accessible to individuals with disabilities.
- Allowing DREAMers to afford college. This bill would extend Pell Grant eligibility to DREAMers, help these students continue their education, and allow our diverse society to benefit from their enormous talents and potential.
- **Reinstating Pell Grant eligibility for students with drug-related offenses.** Repeals a 1998 prohibition on federal financial aid for college students convicted of a drug offense and eliminates drug questions on the FAFSA. Data show that students of color and low-income students are disproportionately affected.
- **Creating a Standardized Financial Aid Award Letter.** Requires institutions receiving Title IV funding to use a standardized financial aid award letter to be developed by the Department so that students can make straightforward comparisons of the aid packages offered to them by different colleges.