

## **Fact Sheet**

COMMITTEE ON EDUCATION & THE WORKFORCE DEMOCRATS

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The Hon. Bobby Scott • Ranking Member

## H.R. 5784 – The File Once FAFSA Act of 2016

The **File Once FAFSA Act of 2016** simplifies the Free Application for Federal Student Aid (FAFSA) for lowincome students by requiring dependent Pell Grant recipients to file a FAFSA just once before going to college. Currently, low-income students and parents are required to annually refile the FAFSA with updated financial information.

## Background

There are approximately <u>2 million enrolled college students</u> who would have been eligible to receive a Federal Pell Grant but never completed a FAFSA. Of Pell Grant recipients who continue their education for the second year, <u>1 in 10 do not refile a FAFSA</u>. Some Pell-eligible students may not file again due to lack of awareness, although research suggests that the complexity of the application process prevents many students from obtaining aid.

One particularly onerous part of the process is the annual refiling of the FAFSA for dependent students, or unmarried students without children under the age of 24, who are required to provide both their own financial information and their parents' information on the application for aid. Research demonstrates that Pell-eligible students <u>are more than twice as likely</u> as non-Pell-eligible students to experience difficulty obtaining their parents' financial information. Additionally, due to the filing of both student and parent financial information, <u>dependent students take twice as long</u> to refile the FAFSA than independent students who must provide only their own financial data. Financial information is useful for calculating aid eligibility the first time a FAFSA is filed, but because <u>data demonstrates consistency in Pell award amounts for dependent students</u> <u>students upon refiling</u>, there is no need to collect this information from students and their parents year after year.

## **Reducing Barriers to Financial Aid for Low-Income Students**

To simplify the financial aid process and help more low-income students obtain Pell Grant aid to access and complete college, the **File Once FAFSA Act of 2016** replaces the annual refiling requirement with a one-time FAFSA filing requirement for Pell-eligible dependent students. This means that a low-income high school student will only be required to provide their parents' financial information once before going to college. Each subsequent year, the student will receive his or her Pell award without having to refile and repeat the burdensome application process. If enacted, this legislation would help nearly 3.5 million low-income students obtain Pell Grant aid more easily. The **File Once FAFSA Act of 2016** will simplify the application process for Pell Grant recipients by:

• Allowing one-time FAFSA for dependent students – Any dependent student who completes the FAFSA for the first time, and learns he or she is eligible for a Pell Grant, will not be required to refile the FAFSA

in any succeeding year for the program's course of study. The student will maintain their expected family contribution (EFC) calculated for the first year of filing, for the purposes of calculating federal student aid.

- **Granting dependent student certification** For each academic year, a student will certify via a simple, consumer-tested form that he or she is still a dependent student and will answer whether his or her circumstances have significantly changed. Students who indicate they are now independent are highly likely to receive a larger award and will be prompted to refile a FAFSA indicating their updated status.
- **Permitting professional judgment** A student with significant changes in financial circumstances in subsequent years will still be eligible to receive a professional judgment determination from their financial aid administrator. That student's adjusted EFC will be used for determining aid in succeeding years without requiring the student to refile.