25

AMENDMENT TO H.R. 4137, AS REPORTED

OFFERED BY MR. HAYES OF NORTH CAROLINA

Page 395, beginning on line 17, strike section 484 and insert the following new section:

1 **SEC. 484. USE OF IRS DATA AND REDUCED INCOME AND**
2 **ASSET INFORMATION TO DETERMINE ELIGI-**
3 **BILITY FOR STUDENT FINANCIAL AID.**

4 Section 483 (20 U.S.C. 1087ss) is further amended
5 by adding at the end the following new subsection:

6 "(f) USE OF IRS DATA AND REDUCED INCOME AND
7 ASSET INFORMATION TO DETERMINE ELIGIBILITY FOR
8 STUDENT FINANCIAL AID.—

9 "(1) FORMATION OF STUDY GROUP.—Not later
10 than 90 days after the date of enactment of the Col-
11 lege Opportunity and Affordability Act of 2007, the
12 Comptroller General of the United States and the
13 Secretary of Education shall convene a study group
14 whose membership shall include the Secretary of the
15 Treasury, the Director of the Office of Management
16 and Budget, the Director of the Congressional
17 Budget Office, representatives of institutions of
18 higher education with expertise in Federal and State
19 financial aid assistance, State chief executive officers

1 of higher education with a demonstrated commit-
2 ment to simplifying the FAFSA, and such other in-
3 dividuals as the Comptroller General and the Sec-
4 retary of Education may designate.

5 "(2) STUDY REQUIRED.—The Comptroller Gen-
6 eral and the Secretary of Education, in consultation
7 with the study group convened under subparagraph
8 (1), shall design and conduct a study to identify and
9 evaluate the means of simplifying the process of ap-
10 plying for Federal financial aid available under this
11 title. The study shall focus on developing alternative
12 approaches for calculating the expected family con-
13 tribution that use substantially less income and
14 asset data than the methodology currently used, as
15 of the time of the study, for determining the ex-
16 pected family contribution.

17 "(3) OBJECTIVES OF STUDY.—The objectives of
18 the study required under subparagraph (2) are—

19 "(A) to shorten the FAFSA and make it
20 easier and less time-consuming to complete,
21 thereby increasing higher education access for
22 low-income students;

23 "(B) to examine the feasibility, and evalu-
24 ate the costs and benefits, of using income data

1 from the Internal Revenue Service to pre-popu-
2 late the electronic version of the FAFSA;
3 "(C) to determine ways in which to provide
4 reliable information on the amount of Federal
5 grant aid and financial assistance a student can
6 expect to receive, assuming constant income, 2
7 to 3 years before the student's enrollment; and
8 "(D) to simplify the process for deter-
9 mining eligibility for student financial aid with-
10 out causing significant redistribution of Federal
11 grants and subsidized loans under this title.
12 "(4) REQUIRED SUBJECTS OF STUDY.—The
13 study required under paragraph (2) shall consider—
14 "(A) how the expected family contribution
15 of a student could be calculated using substan-
16 tially less income and asset information than
17 the approach currently used, as of the time of
18 the study, to calculate the expected family con-
19 tribution without causing significant redistribu-
20 tion of Federal grants and subsidized loans
21 under this title, State aid, or institutional aid,
22 or change in the composition of the group of re-
23 cipients of such aid, which alternative ap-
24 proaches for calculating the expected family
25 contribution shall, to the extent practicable—

1 "(i) rely mainly, in the case of stu-
2 dents and parents who file income tax re-
3 turns, on information available on the
4 1040, 1040EZ, and 1040A; and
5 "(ii) include formulas for adjusting in-
6 come or asset information to produce simi-
7 lar results to the existing approach with
8 less data;
9 "(B) how the Internal Revenue Service can
10 provide income and other data needed to com-
11 pute an expected family contribution for tax-
12 payers and dependents of taxpayers to the Sec-
13 retary of Education, and when in the applica-
14 tion cycle the data can be made available;
15 "(C) whether data provided by the Internal
16 Revenue could be used to—
17 "(i) prepopulate the electronic version
18 of the FAFSA with student and parent
19 taxpayer data; or
20 "(ii) generate an expected family con-
21 tribution without additional action on the
22 part of the student and taxpayer;
23 "(D) the extent to which the use of income
24 data from 2 years prior to a student's planned
25 enrollment date would change the expected fam-

1 ily contribution computed in accordance with
2 part F, and potential adjustments to the need
3 analysis formula that would minimize the
4 change;
5 "(E) the extent to which States and insti-
6 tutions would accept the data provided by the
7 Internal Revenue Service to prepopulate the
8 electronic version of the FAFSA in determining
9 the distribution of State and institutional stu-
10 dent financial aid funds;
11 "(F) the changes to the electronic version
12 of the FAFSA and verification processes that
13 would be needed or could be made if Internal
14 Revenue Service data were used to prepopulate
15 such electronic version;
16 "(G) the data elements currently collected,
17 as of the time of the study, on the FAFSA that
18 are needed to determine eligibility for student
19 aid, or to administer Federal student financial
20 aid programs, but are not needed to compute
21 an expected family contribution, such as wheth-
22 er information regarding the student's citizen-
23 ship or permanent residency status, registration
24 for selective service, or driver's license number
25 could be reduced without adverse effects;

1 "(H) additional steps that can be taken to
2 simplify the financial aid application process for
3 students who (or, in the case of dependent stu-
4 dents, whose parents) are not required to file
5 an income tax return for the prior taxable year;
6 "(I) information on the State need for and
7 usage of the full array of income, asset, and
8 other information currently collected, as of the
9 time of the study, on the FAFSA, including
10 analyses of—
11 "(i) what data are currently used by
12 States to determine eligibility for State
13 student financial aid, and whether the data
14 are used for merit or need-based aid;
15 "(ii) the extent to which the full array
16 of income and asset information currently
17 collected on the FAFSA play an important
18 role in the awarding of need-based State fi-
19 nancial aid, and whether the State could
20 use income and asset information that was
21 more limited to support determinations of
22 eligibility for such State aid programs;
23 "(iii) whether data are required by
24 State law, State regulations, or policy di-
25 rectives;

1 "(iv) what State official has the au-
2 thority to advise the Department on what
3 the State requires to calculate need-based
4 State student financial aid;
5 "(v) the extent to which any State-
6 specific information requirements could be
7 met by completion of a State application
8 linked to the electronic version of the
9 FAFSA; and
10 "(vi) whether the State can use, as of
11 the time of the study, or could use, a stu-
12 dent's expected family contribution based
13 on data from 2 years prior to the student's
14 planned enrollment date and a calculation
15 with reduced data elements and, if not,
16 what additional information would be need-
17 ed or what changes would be required; and
18 "(J) information on institutional needs, in-
19 cluding the extent to which institutions of high-
20 er education are already using supplemental
21 forms to collect additional data from students
22 and their families to determine eligibility for in-
23 stitutional funds.
24 "(5) USE OF DATA FROM THE INTERNAL REV-
25 ENUE SERVICE TO PREPOPULATE FAFSA FORMS.—

1 After the study required under this subsection has
2 been completed, the Secretary may use Internal Rev-
3 enue Service data to prepopulate the electronic
4 version of the FAFSA if the Secretary, in a joint de-
5 cision with the Secretary of Treasury, determines
6 that such use will not significantly negatively impact
7 students, institutions of higher education, States, or
8 the Federal Government based on each of the fol-
9 lowing criteria:
10 "(A) Program costs.
11 "(B) Redistributive effects on students.
12 "(C) Accuracy of aid determinations.
13 "(D) Reduction of burden to the FAFSA
14 filers.
15 "(E) Whether all States and institutions
16 that currently accept the Federal aid formula
17 accept the use of data from 2 years prior to the
18 date of a student's planned enrollment in an in-
19 stitution of higher education to award Federal,
20 State, and institutional aid, and as a result will
21 not require students to complete any additional
22 forms to receive this aid.
23 "(6) REPORT.—Not later than 1 year after the
24 date of enactment of the College Opportunity and
25 Affordability Act of 2007, the Comptroller General

1 and the Secretary shall prepare and submit a report
2 on the results of the study required under this sub-
3 section to the authorizing committees.".