

December 19, 2014

The Honorable Barack Obama  
President of the United States  
1600 Pennsylvania Avenue  
Washington, DC 20500

Dear Mr. President:

The undersigned organizations representing students, scholarship providers, and college administrators, advocates for college access and completion, and policy organizations write to urge you to further simplify the college financial aid process for millions of students and their families by directing the Secretary of Education to base federal student aid eligibility on the tax data that are available when students typically apply to college. Congress specifically authorized the Secretary of Education to address this long-standing problem in the Higher Education Opportunity Act of 2008, and there is strong bipartisan support for simplifying the aid application process.

Your Administration has already made the process much faster and easier for many students, but for millions more the process remains far too complicated and time-consuming. Moreover, students and families still cannot apply for aid until *after* typical college application deadlines, because the federal aid application requires tax information that is not yet available. We urge you to announce in your State of the Union address next month that you are correcting this problem.

One of the primary ways your Administration has greatly simplified the federal aid application process is by letting students and parents electronically transfer their tax information into the online Free Application for Federal Student Aid (FAFSA). By using the Internal Revenue Service (IRS) Data Retrieval Tool (DRT), applicants can skip up to 20 high-stakes FAFSA questions. However, due to major timing obstacles, millions of students are not able to benefit from this simplified process. This is because the FAFSA currently requires tax data for a calendar year that has not yet ended or is barely over when college applications are typically due. The FAFSA goes online on January 1, but the DRT that makes it much easier to complete is not available until early February, and applicants who have not yet filed their taxes cannot use the DRT. Meanwhile, the IRS tax filing deadline is not until April 15, which is after the application deadlines for dozens of state grants and many scholarships from colleges and other sources.

Basing federal aid eligibility on already available tax data will solve these timing problems. By letting students find out what federal aid they are eligible for before college application deadlines, it will help them make more informed decisions about where to apply and what they can afford, understand that federal dollars will follow them wherever they attend, and take more time to consider and apply to multiple colleges. This timing correction will also increase students' odds of getting needed aid by making it easier to meet deadlines for non-federal grants and scholarships and receive the aid they qualify for. Students using the DRT are less likely to be selected for paperwork-intensive FAFSA "verification" procedures that cause delays and obstacles to receiving aid. Reducing the need for verification also lowers administrative burdens for colleges.

Even if the FAFSA cannot immediately be made available prior to January 1, using earlier tax data will still help millions of Americans use the DRT to apply for aid earlier and more easily, and receive the aid they qualify for. Recent Department of Education data show that *over 4 million student aid applicants* are unable to use the DRT because they apply for aid before they have filed their taxes. Others cannot

use the tool because they filed their taxes too recently for their data to be available in the DRT. Using the year of tax data already in the IRS system (sometimes called “prior-prior year” data) will eliminate both of these problems, significantly reducing the complexity of the process and the time to complete the FAFSA for so many students and families.

Under the Higher Education Opportunity Act [Sec. 473(a)(1)(C)], the Secretary has the authority to adjust the year of tax data used to determine federal aid eligibility in order to simplify the FAFSA process. Recent analyses, including one from the National Association of Student Financial Aid Administrators, have shown that incomes of low-income families fluctuate very little from year to year and that using earlier tax data would not change their Pell Grant eligibility. We urge the Administration to act as soon as possible, because this practical change will dramatically simplify the aid application process for millions more students and their families, help them make more informed decisions about where to apply to college, and help them receive the aid they need to get to graduation.

Thank you for your leadership on behalf of students and families, and for your Administration’s continued efforts to increase college access, affordability, and completion.

Respectfully,

Alliance for Higher Education and Democracy  
American Association of Collegiate Registrars and Admissions Officers  
American Association of State Colleges and Universities  
American Association of Community Colleges  
American Council on Education  
Association of Community College Trustees  
Association of Public and Land-grant Universities  
AVID Center  
Center for Law and Social Policy  
Coalition of Higher Education Assistance Organizations  
College Access Network of Utah  
College Success Arizona  
Council for Opportunity in Education  
Florida College Access Network  
Florida School Counselor Association  
Georgetown University Center on Education and the Workforce  
Graduate! Network, Inc.  
HCM Strategists  
Illinois College Access Network  
Institute for Higher Education Policy  
International Education Council  
Michigan College Access Network  
Minnesota College Access Network  
National Association of Student Financial Aid Administrators  
National Association for College Admission Counseling  
National Association of State Student Grant and Aid Programs  
National Campus Leadership Council  
National College Access Network  
National Council for Community and Education Partnerships  
National Direct Student Loan Coalition

National Scholarship Providers Association  
New America  
Scholarship America  
Southern California College Access Network  
Student Assistance Foundation of Montana  
Tennessee College Access and Success Network  
The Education Trust  
Thomas Weko (American Institutes for Research)  
The Institute for College Access & Success  
uAspire  
UNCF  
USPIRG  
Washington College Access Network  
Yes We Must Coalition  
Young Invincibles

cc: Hon. Arne Duncan, Secretary of Education  
Hon. Jacob Lew, Secretary of Treasury  
Hon. Cecilia Muñoz, Director, White House Domestic Policy Council