

SIMPLIFYING THE APPLICATION FOR STUDENT AID ACT

—————
JULY 11, 2016.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed
—————

Mr. KLINE, from the Committee on Education and the Workforce,
submitted the following

R E P O R T

[To accompany H.R. 5528]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 5528) to amend the Higher Education Act of 1965 to simplify the FAFSA, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Simplifying the Application for Student Aid Act”.

SEC. 2. USING DATA FROM SECOND PRECEDING YEAR.

Section 480(a)(1)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(a)(1)(B)) is amended by striking “may” in both places it appears and inserting “shall”.

SEC. 3. CALCULATION OF ANNUAL ADJUSTMENT PERCENTAGE FOR FEDERAL PELL GRANTS.

Section 401(b)(7)(C)(iv)(I) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)(C)(iv)(I)) is amended by striking “calendar year” and inserting “fiscal year”.

SEC. 4. FAFSA SIMPLIFICATION.

(a) FAFSA SIMPLIFICATION.—Section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090) is amended—

(1) in subsection (a)(3), by adding at the end the following:

“(I) **FORMAT.**—Not later than 180 days after the date of the enactment of the Simplifying the Application for Student Aid Act, the Secretary shall make the electronic version of the forms under this paragraph available through a technology tool that can be used on mobile devices. Such technology tool shall, at minimum, enable applicants to—

“(i) save data; and

“(ii) submit their FAFSA to the Secretary through such tool.

“(J) CONSUMER TESTING.—In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and understandable by students and families. Such consumer testing shall include—

“(i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;

“(ii) dependent students and independent students meeting the requirements under subsection (b) or (c) of section 479; and

“(iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.”; and

(2) by amending subsection (f) to read as follows:

“(f) USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.—

“(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

“(A) make every effort to use data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

“(i) automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and

“(ii) direct an applicant to appropriate questions on such forms based on the applicant’s answers to previous questions; and

“(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the data retrieval tool to its full capacity.

“(2) USE OF TAX RETURN IN APPLICATION PROCESS.—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

“(3) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—Not less than once every other year, the Secretary shall report to the authorizing committees on the progress of the simplification efforts under this subsection.

“(4) REPORTS ON FAFSA ACCESS.—Not less than once every 10 years, the Secretary shall report to the authorizing committees on the needs of limited English proficient students using the FAFSA.”.

(b) FUNDING.—

(1) USE OF EXISTING FUNDS.—Of the amount authorized to be appropriated to the Department of Education to maintain the Free Application for Federal Student Aid, \$3,000,000 shall be available to carry out this Act and the amendments made by this Act.

(2) NO ADDITIONAL FUNDS AUTHORIZED.—No funds are authorized by this Act to be appropriated to carry out this Act or the amendments made by this Act.

PURPOSE

H.R. 5528, the *Simplifying the Application for Student Aid Act*, streamlines and improves the student aid process by providing for earlier award notification and making the Free Application for Federal Student Aid (FAFSA) simpler and more accessible.

COMMITTEE ACTION

As the Committee on Education and the Workforce (Committee) continues the *Higher Education Act* reauthorization process, increasing transparency and usefulness of higher education data; simplifying and improving the federal student aid programs; and promoting innovation, access, and completion remain top priorities.

Hearings—First session

On March 1, 2011, the Committee held a hearing in Washington, D.C., on “Education Regulations: Weighing the Burden on Schools and Students.” The hearing was the first in a series examining the burden of federal, state, and local regulations on the nation’s education system. The purpose of the hearing was to uncover the damaging effects of federal regulations on schools and institutions. These rules increasingly stifle growth and innovation, raise operating costs, and limit student access to affordable colleges and universities throughout the nation. Testifying before the Committee were Dr. Edgar Hatrick, Superintendent, Loudon County Public Schools, Ashburn, Virginia; Ms. Kati Haycock, President, The Education Trust, Washington, D.C.; Mr. Gene Wilhoit, Executive Director, Council of Chief State School Officers, Washington, D.C.; and Mr. Christopher B. Nelson, President, St. John’s College, Annapolis, Maryland.

On March 11, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Education Regulations: Federal Overreach into Academic Affairs.” The purpose of the hearing was to discuss the most egregious and intrusive pieces of the program integrity regulations issued by the U.S. Department of Education, specifically, the state authorization regulation and the credit hour regulation, and to uncover the unintended consequences of the regulations to states and institutions of higher education. Testifying before the Subcommittee were Mr. John Ebersole, President, Excelsior College, Albany, New York; Dr. G. Blair Dowden, President, Huntington University, Huntington, Indiana; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; and Mr. Ralph Wolff, President, Western Association of Schools and Colleges, Alameda, California.

On March 17, 2011, the Committee on held a hearing in Washington, D.C., on “Education Regulations: Roadblocks to Student Choice in Higher Education.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the Committee were Ms. Catherine Barreto, Graduate, Monroe College, and Senior Sales Associate, Doubletree Hotels, Brooklyn, New York; Mr. Travis Jennings, Electrical Supervisor of the Manufacturing Launch Systems Group, Orbital Sciences Corporation, Chandler, Arizona; Dr. Arnold Mitchem, President, Council for Opportunity in Education, Washington, D.C.; and Ms. Jeanne Herrmann, Chief Operating Officer, Globe University/Minnesota School of Business, Woodbury, Minnesota.

On March 21, 2011, the Committee held a hearing in Wilkes-Barre, Pennsylvania, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. James Perry, President, Hazelton City Council, Hazelton, Pennsylvania; Mr. Jeffrey Alesson, Vice President of Strategic Planning and Quality Assurance, Diamond Manufacturing, Exeter, Pennsylvania; Dr. Reynold Verret, Provost, Wilkes

University, Wilkes-Barre, Pennsylvania; Mr. Raymond Angeli, President, Lackawanna College, Scranton, Pennsylvania; Ms. Joan Seaman, Executive Director, Empire Beauty School, Moosic, Pennsylvania; and Mr. Thomas P. Leary, President, Luzerne County Community College, Nanticoke, Pennsylvania.

On March 22, 2011, the Committee held a hearing in Utica, New York, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Mr. Anthony J. Picente, Jr., County Executive, Oneida County, Utica, New York; Mr. Dave Mathis, Director, Oneida County Workforce Development, Utica, New York; Dr. John Bay, Vice President and Chief Scientist, Assured Information Security, Inc., Rome, New York; Dr. Bjong Wolf Yeigh, President, State University of New York Institute of Technology, Utica, New York; Dr. Ann Marie Murray, President, Herkimer County Community College, Herkimer, New York; Dr. Judith Kirkpatrick, Provost, Utica College, Utica, New York; and Mr. Phil Williams, President, Utica School of Commerce, The Business College, Utica, New York.

On April 21, 2011, the Committee held a hearing in Columbia, Tennessee, on “Reviving our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Committee were Dr. Janet Smith, President, Columbia State Community College, Columbia, Tennessee; Dr. Ted Brown, President, Martin-Methodist College, Pulaski, Tennessee; Mr. Jim Coakley, President, Nashville Auto-Diesel College, Nashville, Tennessee; The Honorable Dean Dickey, Mayor, City of Columbia, Columbia, Tennessee; Ms. Susan Marlow, President and Chief Executive Officer, Smart Data Strategies, Franklin, Tennessee; Ms. Jan McKeel, Executive Director, South Central Tennessee Workforce Board, Columbia, Tennessee; and Ms. Margaret Prater, Executive Director, Northwest Tennessee Workforce Board, Dyersburg, Tennessee.

On July 8, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Regulatory Affairs, Stimulus Oversight, and Government Spending, held a hearing in Washington, D.C., on “The Gainful Employment Regulation: Limiting Job Growth and Student Choice.” The purpose of the hearing was to explore the harmful consequences of the gainful employment regulation issued by the U.S. Department of Education. Testifying before the subcommittees were Dr. Dario A. Cortes, President, Berkeley College, New York City, New York; Dr. Anthony P. Carnevale, Director, Georgetown University Center on Education and the Workforce, Washington, D.C.; Ms. Karla Carpenter, Graduate, Herzing University and Program Manager, Quest Software, Madison, Wisconsin; and Mr. Harry C. Alford, President and Chief Executive Officer, National Black Chamber of Commerce, Washington, D.C.

On August 16, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Greenville, South Carolina, on “Reviving Our Economy: The Role of Higher Education in Job Growth and Del-

opment.” The purpose of the hearing was to highlight the work by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were The Honorable Knox White, Mayor, City of Greenville, Greenville, South Carolina; Mr. Werner Eikenbusch, Section Manager, Associate Development and Training, BMW Manufacturing Co., Spartanburg, South Carolina; Ms. Laura Harmon, Project Director, Greenville Works, Greenville, South Carolina; Dr. Brenda Thames, Vice President of Academic Development, Greenville Health System, Greenville, South Carolina; Mr. James F. Barker, President, Clemson University, Clemson, South Carolina; Dr. Thomas F. Moore, Chancellor, University of South Carolina Upstate, Spartanburg, South Carolina; Dr. Keith Miller, President, Greenville Technical College, Greenville, South Carolina; and Ms. Amy Hickman, Campus President, ECPI College of Technology, Greenville, South Carolina.

On October 25, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Government-Run Student Loans: Ensuring the Direct Loan Program is Accountable to Students and Taxpayers.” The purpose of the hearing was to examine the switch to and implementation of the Direct Loan program. Testifying before the Subcommittee were Mr. James W. Runcie, Chief Operating Officer, Office of Federal Student Aid, U.S. Department of Education, Washington, D.C.; Mr. Ron H. Day, Director of Financial Aid, Kennesaw State University, Kennesaw, Georgia; Ms. Nancy Hoover, Director of Financial Aid, Denison University, Granville, Ohio; and Mr. Mark A. Bandré, Vice President for Enrollment Management and Student Affairs, Baker University, Baldwin City, Kansas.

On November 30, 2011, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Discussing Ways Institutions Can Streamline Costs and Reduce Tuition.” The purpose of the hearing was to highlight innovative practices institutions of higher education are implementing to reduce their costs to limit tuition increases for students. Testifying before the Subcommittee were Ms. Jane V. Wellman, Executive Director, Delta Project on Postsecondary Costs, Productivity, and Accountability, Washington, D.C.; Dr. Ronald E. Manahan, President, Grace College and Seminary, Winona Lake, Indiana; Mr. Jamie P. Merisotis, President and Chief Executive Officer, Lumina Foundation for Education, Indianapolis, Indiana; and Mr. Tim Foster, President, Colorado Mesa University, Grand Junction, Colorado.

Legislative action—First Session

On February 17, 2011, the House of Representatives considered an amendment offered by Committee Chairman John Kline (R-MN), Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL) to H.R. 1, the *Disaster Relief Appropriations Act of 2013*. The amendment prohibited the use of funds by the U.S. Department of Education to implement and enforce the gainful employment regulation. The amendment was agreed to by a bipartisan vote of 289 to 136.

On February 19, 2011, the House of Representatives passed H.R. 1 by a vote of 235 to 189. This bill was not signed into law.

On June 3, 2011, Chairman John Kline (R–MN) and Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 2117, the *Protecting Academic Freedom in Higher Education Act*. The bill repealed the state authorization regulation, one piece of the credit hour regulation, and prohibited the Secretary of Education (Secretary) from defining credit hour for any purpose under the *Higher Education Act of 1965*.

On June 15, 2011, the Committee considered H.R. 2117 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 27 to 11.

The Committee considered and adopted the following amendment to H.R. 2117:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to add a short title to the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 2117, which were not adopted:

- Rep. Raúl Grijalva (D–AZ) offered an amendment to maintain pieces of the state authorization regulation, including the complaint process. The amendment failed by a vote of 17 to 22.

- Ranking Member George Miller (D–CA) offered an amendment to prohibit implementation until the U.S. Department of Education Inspector General certifies there are equal or greater protections in place related to program integrity under Title IV of the *Higher Education Act of 1965*. The amendment failed by a vote of 17 to 22.

- Rep. Rush Holt (D–NJ) offered an amendment to stipulate the act would be effective only if the maximum Pell Grant award is at least \$5,550 for the 2012–2013 school year. The amendment was ruled out of order.

- Rep. Tim Bishop (D–NY) offered an amendment to strike the repeal of the credit hour regulation that establishes a federal definition of a credit hour. The amendment failed by a vote of 11 to 27.

- Rep. Tim Bishop (D–NY) offered an amendment to strike the prohibition on the Secretary of Education from defining credit hour in the future. The amendment failed by a vote of 16 to 22.

Hearings—Second session

On July 18, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Keeping College Within Reach: Exploring State Efforts to Curb Costs.” The purpose of the hearing was to highlight innovative practices at the state level to assist postsecondary institutions in keeping costs affordable and to promote accountability of public funds. Testifying before the Subcommittee were Mr. Scott Pattison, Executive Director, National Association of State Budget Officers, Washington, D.C.; Ms. Teresa Lubbers, Commissioner for Higher Education, State of Indiana, Indianapolis, Indiana; Mr. Stan Jones, President, Complete College America, Zionsville, Indiana; and Dr. Joe May, President, Louisiana Community and Technical College System, Baton Rouge, Louisiana.

On September 20, 2012, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Assessing College Data: Helping to Provide Valuable Information to Students, Institutions, and Taxpayers.” The purpose of the hearing was to examine data collected by the federal government from institutions of higher education, including data requirements established during the last reauthorization of the *Higher Education Act*. Testifying before the Subcommittee were Dr. Mark Schneider, Vice President, American Institutes for Research, Washington, D.C.; Dr. James Hallmark, Vice Chancellor for Academic Affairs, Texas A&M System, College Station, Texas; Dr. José Cruz, Vice President for Higher Education Policy and Practice, The Education Trust, Washington, D.C.; and Dr. Tracy Fitzsimmons, President, Shenandoah University, Winchester, Virginia.

Legislative action—Second session

On February 28, 2012, the House of Representatives passed H.R. 2117 by a bipartisan vote of 303 to 114. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On April 25, 2012, Rep. Judy Biggert (R-IL) introduced H.R. 4628, the *Interest Rate Reduction Act*. The bill reduced the interest rate on subsidized Stafford loans made to undergraduate students from 6.8 percent to 3.4 percent for one year, from July 1, 2012, through June 30, 2013. To offset the increase in mandatory spending, the bill repealed the Prevention and Public Health Fund authorized under Section 4002 of the *Patient Protection and Affordable Care Act* and rescinded the balance of unobligated monies made available for the fund.

On April 27, 2012, the House of Representatives passed H.R. 4628 by a vote of 215 to 195.

While H.R. 4628 was never considered by the Senate, its provisions were included in the Conference Report for H.R. 4348, the *Moving Ahead for Progress in the 21st Century Act* (MAP-21), sponsored by Rep. John Mica (R-FL). To partially offset the increase in mandatory spending that resulted from the temporary reduction in interest rates on subsidized Stafford loans, the bill permanently restricted the period of eligibility to borrow subsidized Stafford loans to 150 percent of the published length of a student’s educational program.

On June 29, 2012, the House of Representatives passed the Conference Report to H.R. 4348 by a bipartisan vote of 373 to 52.

On June 29, 2012, the Senate passed the Conference Report to H.R. 4348 by a bipartisan vote of 74 to 19.

On July 6, 2012, the President of the United States signed H.R. 4348 into law (P.L. 112-141).

113TH CONGRESS

Hearings—First session

On March 13, 2013, the Committee held a hearing in Washington, D.C., on “Keeping College Within Reach: Examining Opportunities to Strengthen Federal Student Loan Programs.” The purpose of the hearing was to examine ways to strengthen federal stu-

dent loans, as well as how moving to a market-based or variable interest rate on all federal student loans could benefit both students and taxpayers. Testifying before the Committee were Dr. Deborah J. Lucas, Sloan Distinguished Professor of Finance, Massachusetts Institute of Technology, Cambridge, Massachusetts; Mr. Jason Delisle, Director, Federal Education Budget Project, The New America Foundation, Washington, D.C.; Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; and Dr. Charmaine Mercer, Vice President of Policy, Alliance for Excellent Education, Washington, D.C.

On April 9, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Monroe, Michigan, entitled “Reviving Our Economy: The Role of Higher Education in Job Growth and Development.” The purpose of the hearing was to highlight work being done by local colleges and universities to respond to local and state economic needs. Testifying before the Subcommittee were Mr. Henry Lievens, Commissioner, Monroe County, Monroe, Michigan; Ms. Lynette Dowler, Plant Director, Fossil Generation, DTE Energy, Detroit, Michigan; Ms. Susan Smith, Executive Director, Economic Development Partnership of Hillsdale County, Jonesville, Michigan; Mr. Dan Fairbanks, United Auto Workers International Representative, UAW–GM Skill Development and Training Department, Detroit, Michigan; Dr. David E. Nixon, President, Monroe County Community College, Monroe, Michigan; Sister Peg Albert, OP, Ph.D., President, Siena Heights University, Adrian, Michigan; Dr. Michelle Shields, Career Coach/Workforce Development Director, Jackson Community College, Jackson, Michigan; and Mr. Douglas A. Levy, Director of Financial Aid, Macomb Community College, Warren, Michigan.

On April 16, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: The Role of Federal Student Aid Programs.” The purpose of the hearing was to examine shifting the focus of federal student aid programs from enhancing access to improving student outcomes. Testifying before the Subcommittee were Mr. Terry W. Hartle, Senior Vice President, Division of Government and Public Affairs, American Council on Education, Washington, D.C.; Ms. Moriah Miles, State Chair, Minnesota State University Student Association, Mankato, Minnesota; Ms. Patricia McGuire, President, Trinity Washington University, Washington, D.C.; and Mr. Dan Madzelan, Former Employee (Retired), U.S. Department of Education, University Park, Maryland.

On April 24, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Enhancing Transparency for Students, Families, and Taxpayers.” The purpose of the hearing was to examine ways to improve the information provided by the federal government to inform students and families about their postsecondary education options. Testifying before the Subcommittee were Dr. Donald E. Heller, Dean, College of Education, Michigan State University, East Lansing, Michigan; Mr. Alex Garrido, Student, Keiser Univer-

sity, Miami, Florida; Dr. Nicole Farmer Hurd, Founder and Executive Director, National College Advising Corps, Carrboro, North Carolina; and Mr. Travis Reindl, Program Director, Postsecondary Education, National Governors Association Center for Best Practices, Washington, D.C.

On June 13, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Discussing Program Quality through Accreditation.” The purpose of the hearing was to examine the historical role of accreditation, discuss the role of regional and national accreditors in measuring institutional quality, and contemplate areas for reform. Testifying before the Subcommittee were Dr. Elizabeth H. Sibolski, President, Middle States Commission on Higher Education, Philadelphia, Pennsylvania; Dr. Michale McComis, Executive Director, Accrediting Commission of Career Schools and Colleges, Arlington, Virginia; Ms. Anne D. Neal, President, American Council of Trustees and Alumni, Washington, D.C.; and Mr. Kevin Carey, Director of the Education Policy Program, The New America Foundation, Washington, D.C.

On July 9, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Higher Education through Innovation.” The purpose of the hearing was to highlight innovation in higher education occurring at the state and institutional level and in the private sector. Testifying before the Committee were Mr. Scott Jenkins, Director of External Relations, Western Governors University, Salt Lake City, Utah; Dr. Pamela J. Tate, President and Chief Executive Officer, Council for Adult and Experiential Learning, Chicago, Illinois; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; and Mr. Burck Smith, Chief Executive Officer and Founder, StraighterLine, Baltimore, Maryland.

On September 11, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Supporting Higher Education Opportunities for America’s Servicemembers and Veterans.” The purpose of the hearing was to examine the efforts of higher education to improve postsecondary education opportunities for servicemembers and veterans. Testifying before the Subcommittee were Mrs. Kimrey W. Rhinehardt, Vice President for Federal and Military Affairs, The University of North Carolina, Chapel Hill, North Carolina; Dr. Arthur F. Kirk, Jr., President, Saint Leo University, Saint Leo, Florida; Dr. Russell S. Kitchner, Vice President for Regulatory and Governmental Relations, American Public University System, Charles Town, West Virginia; and Dr. Ken Sauer, Senior Associate Commissioner for Research and Academic Affairs, Indiana Commission for Higher Education, Indianapolis, Indiana.

On September 18, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Improving Access and Affordability through Innovative Partnerships.” The purpose of the hearing was to examine the efforts of higher education institutions to expand access and

reduce costs by partnering with local employers, other colleges, or online course providers. Testifying before the Subcommittee were Dr. Jeffrey Docking, President, Adrian College, Adrian, Michigan; Ms. Paula R. Singer, President and Chief Executive Officer, Laureate Global Products and Services, Baltimore, Maryland; Dr. Rich Baraniuk, Professor, Rice University, and Founder, Connexions, Houston, Texas; and Dr. Charles Lee Isbell, Jr., Professor and Senior Associate Dean, College of Computing, Georgia Institute of Technology, Atlanta, Georgia.

On November 13, 2013, the Committee held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Simplifying Federal Student Aid.” The purpose of the hearing was to examine the need to streamline, consolidate, and simplify federal student aid programs. Testifying before the Committee were Ms. Kristin D. Conklin, Founding Partner, HCM Strategies, LLC, Washington, D.C.; Dr. Sandy Baum, Research Professor of Education Policy, George Washington University Graduate School of Education and Human Development, and Senior Fellow, Urban Institute, Washington, D.C.; Ms. Jennifer Mishory, J.D., Deputy Director, Young Invincibles, Washington, D.C.; and Mr. Jason Delisle, Director, Federal Education Budget Project, New America Foundation, Washington, D.C.

On December 3, 2013, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Strengthening Pell Grants for Future Generations.” The purpose of the hearing was to examine Pell Grant program reform proposals to better target funds to the neediest students and put the program on a fiscally responsible and sustainable path. Testifying before the Subcommittee were Mr. Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators, Washington, D.C.; Dr. Jenna Ashley Robinson, Director of Outreach, John W. Pope Center for Higher Education Policy, Raleigh, North Carolina; Mr. Michael Dannenberg, Director of Higher Education and Education Finance Policy, The Education Trust, Washington, D.C.; and Mr. Richard C. Heath, Director of Student Financial Services, Anne Arundel Community College, Arnold, Maryland.

Legislative action—First session

On May 9, 2013, Chairman John Kline (R–MN) and Subcommittee Chairwoman Virginia Foxx (R–NC) introduced H.R. 1911, the *Smarter Solutions for Students Act*. The bill moved all federal student loans (except Perkins loans) to a market-based interest rate.

On May 16, 2013, the Committee considered H.R. 1911 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 24 to 13.

The Committee considered and adopted the following amendment to H.R. 1911:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to make a technical change to the bill. The amendment was adopted by voice vote.

The Committee further considered the following amendments to H.R. 1911, which were not adopted:

- Rep. Joe Heck (R–NV) offered an amendment to allocate a portion of the savings generated under the bill to Pell Grants. The amendment was withdrawn.

- Rep. Joe Heck (R–NV) offered an amendment to provide the Secretary of Education with authority to reduce the interest rate on student loans if a borrower makes the first 48 payments on time. The amendment was withdrawn.

- Rep. John Tierney (D–MA) offered an amendment to set the federal student loan interest rates at the same rate the Federal Reserve charges to banks for two years. The amendment failed by a vote of 14 to 23.

- Rep. Joe Courtney (D–CT) offered an amendment to extend the 3.4 percent interest rate on subsidized Stafford loans for two years. The amendment failed by a vote of 15 to 21.

On May 23, 2013, the House of Representatives passed H.R. 1911 by a bipartisan vote of 221 to 198.

On July 24, 2013, the Senate passed a substitute version of H.R. 1911, the *Bipartisan Student Loan Certainty Act*, by a bipartisan vote of 81 to 18. The legislation allowed student loan interest rates to reset once a year by the market, but they would be locked into a fixed rate once the loan is disbursed to the student. Interest rates would be set using the following formulas:

- Undergraduate Stafford loans (subsidized and unsubsidized): 10-year Treasury Note plus 2.05 percent, capped at 8.25 percent.

- Graduate Stafford loans: 10-year Treasury Note plus 3.6 percent, capped at 9.5 percent

- PLUS loans (graduate and parent): 10-year Treasury Note plus 4.6 percent, capped at 10.5 percent.

On July 31, 2013, the House of Representatives agreed to suspend the rules and agree to the Senate amendment to H.R. 1911 by a bipartisan vote of 392 to 31.

On August 9, 2013, the President of the United States signed H.R. 1911 into law (P.L. 113–28).

On May 13, 2013, Rep. Luke Messer (R–IN) introduced H.R. 1949, the *Improving Postsecondary Education Data for Students Act*. The bill directed the Secretary to convene an Advisory Committee on Improving Postsecondary Education Data to conduct a study on the factors students and families want, need, and already consider when choosing a higher education institution.

On May 16, 2013, the Committee considered H.R. 1949 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 1949:

- Rep. Luke Messer (R–IN) offered an amendment in the nature of a substitute to H.R. 1949 to (1) include individuals who represent undergraduate and graduate education; college and career counselors at secondary schools; experts in data policy, collection, and use; and experts in labor markets on the list of individuals required to be represented on the Advisory Committee on Improving Postsecondary Education Data; (2) ensure individuals on the advisory committee represent economic, racial, and geographically diverse populations; (3) require the advisory committee to examine information related to the sources of financial assistance, including federal student loans, as part of the required aspects of the study; (4) require the advisory committee to examine how information re-

garding student outcomes should be disaggregated for first-generation students; and (5) provide other conforming and technical changes to the bill. The amendment was adopted by voice vote.

On May 22, 2013, the House of Representatives agreed to suspend the rules and pass H.R. 1949 by voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On July 10, 2013, Chairman John Kline (R-MN), Subcommittee Chairwoman Virginia Foxx (R-NC), and Rep. Alcee Hastings (D-FL) introduced H.R. 2637, the *Supporting Academic Freedom through Regulatory Relief Act*. The bill, which included the text of the *Protecting Academic Freedom in Higher Education Act* (H.R. 2117) and the Kline/Foxx/Hastings amendment to H.R. 1 from the 112th Congress, repealed the credit hour, state authorization, and gainful employment regulations and amended the statute to clarify the incentive compensation regulation. Additionally, the bill prohibited the U.S. Department of Education from issuing related regulations until after Congress reauthorizes the *Higher Education Act*.

On July 24, 2013, the Committee considered H.R. 2637 in legislative session and reported it favorably, as amended, to the House of Representatives by a bipartisan vote of 22 to 13.

The Committee considered and adopted the following amendment to H.R. 2637:

- Subcommittee Chairwoman Virginia Foxx (R-NC) offered an amendment in the nature of a substitute to change a subsection title in the legislation. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 2637, which was not adopted:

- Rep. Tim Bishop (D-NY) offered an amendment to strike the prohibition on the U.S. Department of Education from issuing regulations related to state authorization, gainful employment, and credit hour. The amendment failed by a vote of 13 to 22.

Hearings—Second session

On January 28, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Sharing Best Practices for Serving Low-Income and First Generation Students.” The purpose of the hearing was to highlight best practices at institutions of higher education for serving low-income and first generation students. Testifying before the Subcommittee were Dr. James Anderson, Chancellor, Fayetteville State University, Fayetteville, North Carolina; Mrs. Mary Beth Del Balzo, Senior Executive Vice President and Chief Executive Officer, The College of Westchester, White Plains, New York; Mr. Josse Alex Garrido, Graduate Student, University of Texas—Pan American, Edinburg, Texas; and Rev. Dennis H. Holtschneider, President, DePaul University, Chicago, Illinois.

On February 27, 2013, the Committee on Education and the Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education and Subcommittee on Higher Education and Workforce Training held a joint hearing in Washington, D.C., on “Exploring Efforts to Strengthen the Teaching Profession.” The purpose of the hearing was to discuss the state of teacher preparation nationwide. Testifying before the subcommittees were Dr.

Deborah A. Gist, Commissioner, Rhode Island Department of Elementary and Secondary Education, Providence, Rhode Island; Dr. Marcy Singer-Gabella, Professor of the Practice of Education, Vanderbilt University, Nashville, Tennessee; Dr. Heather Peske, Associate Commissioner for Educator Quality, Massachusetts Department of Elementary and Secondary Education, Malden, Massachusetts; and Ms. Christina Hall, Co-Founder and Co-Director, Urban Teacher Center, Baltimore, Maryland.

On March 12, 2014, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Examining the Mismanagement of the Student Loan Rehabilitation Process.” The purpose of the hearing was to examine the U.S. Department of Education’s ability to oversee the processing of rehabilitated loans issued under the Direct Loan program. Testifying before the Subcommittee were Ms. Melissa Emrey-Arras, Director of Education, Workforce, and Income Security Issues, U.S. Government Accountability Office, Boston, Massachusetts; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. James Runcie, Chief Operating Officer, Federal Student Aid, U.S. Department of Education, Washington, D.C.; and Ms. Peg Julius, Executive Director of Enrollment Management, Kirkwood Community College, Cedar Rapids, Iowa.

On March 20, 2014, the Committee held a hearing in Mesa, Arizona, entitled “Reviving our Economy: Supporting a 21st Century Workforce.” The purpose of the hearing was to explore the role of local higher education institutions in fostering job creation and growth through innovative partnerships with the business community and new modes of teaching delivery. Testifying before the Committee were The Honorable Rick Heumann, Vice Mayor, City of Chandler, Chandler, Arizona; Ms. Cathleen Barton, Education Manager, Intel Corporate Affairs, Southwestern United States, Intel Corporation, Chandler, Arizona; Mr. Lee D. Lambert, J.D., Chancellor, Pima Community College, Tucson, Arizona; Dr. William Pepicello, President, University of Phoenix, Tempe, Arizona; Dr. Michael Crow, President, Arizona State University, Tempe, Arizona; Dr. Ann Weaver Hart, President, The University of Arizona, Tucson, Arizona; Dr. Ernest A. Lara, President, Estrella Mountain Community College, Avondale, Arizona; and Ms. Christy Farley, Vice President of Government Affairs and Business Partnerships, Northern Arizona University, Phoenix, Arizona.

On April 2, 2014, the Committee on Education and the Workforce held a hearing in Washington, D.C., entitled “Keeping College Within Reach: Meeting the Needs of Contemporary Students.” The purpose of the hearing was to examine how institutions, states, and other entities assist contemporary college students in accessing and completing postsecondary education. Testifying before the Committee were Dr. George A. Pruitt, President, Thomas Edison State College, Trenton, New Jersey; Dr. Kevin Gilligan, Chairman and Chief Executive Officer, Capella Education Company, Minneapolis, Minnesota; Mr. David Moldoff, Chief Executive Officer and Founder, AcademyOne, Inc., West Chester, Pennsylvania; Dr. Joann A. Boughman, Senior Vice Chancellor for Academic Affairs, University System of Maryland, Adelphi, Maryland; Mr. Stan Jones, President, Complete College America, Indianapolis, Indiana; and Dr.

Brooks A. Keel, President, Georgia Southern University, Statesboro, Georgia.

Legislative action—Second session

On September 19, 2013, Rep. Matt Salmon (R–AZ), Rep. Susan Brooks (R–IN), and Rep. Jared Polis (D–CO) introduced H.R. 3136, the *Advancing Competency-Based Education Demonstration Project Act of 2013*. The bill directed the Secretary to select institutions or consortia of institutions for voluntary participation in competency-based education demonstration projects. The demonstration projects would have provided participating entities with the ability to offer competency-based education programs that do not meet certain statutory and regulatory requirements which would otherwise prevent them from participating in federal student aid programs.

On July 10, 2014, the Committee considered H.R. 3136 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 3136:

- Rep. Matt Salmon (R–AZ) and Rep. Jared Polis (D–CO) offered an amendment in the nature of a substitute to add certain requirements to the applications to participate in a competency-based education project; allow eligible entities to submit amendments to their previously-approved applications; set requirements for the entities the Secretary must choose to participate in the programs; require institutions to provide student information to the director of the Institute of Education Sciences (IES); require the Director of IES to annually evaluate each project and provide a report with specified information to the authorizing committees; authorize funds to be available from the amount appropriated for salaries and expenses of the U.S. Department of Education, and make conforming and technical changes to the introduced bill. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 3136, which was not adopted:

- Rep. Tierney (D–MA) offered an amendment that would have allowed students with federal student loans and private student loans issued prior to 2013 to refinance those loans into new federal loans at the interest rate set for the 2013–2014 academic year. The amendment was ruled non-germane. Ranking Member George Miller (D–CA) appealed the ruling of the chair. Rep. Glenn Thompson (R–PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 22 to 16.

On July 23, 2014, the House of Representatives considered H.R. 3136 and passed it, as amended, by a recorded vote of 414–0 on July 23, 2014. The bill was sent to the Senate and was referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Subcommittee Chairwoman Virginia Foxx (R–NC) and Rep. Luke Messer (R–IN) introduced H.R. 4983, the *Strengthening Transparency in Higher Education Act*. The bill simplified and streamlined the information made publicly available by the Secretary regarding institutions of higher education.

On July 10, 2014, the Committee considered H.R. 4983 in legislative session and reported it favorably, as amended, to the House of Representatives by a voice vote. The Committee considered and adopted the following amendment to H.R. 4983:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute that required additional information on the College Dashboard; required the Secretary to conduct consumer testing in consultation with appropriate federal departments and agencies; ensured consumer testing addresses whether the College Dashboard provides useful and relevant information to students and families; required the Secretary to submit to the authorizing committees recommendations based on the results of consumer testing; set new minimum requirements for net price calculators, required funding to come from funds already appropriated to maintain the College Navigator; and made other conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4983, which was not adopted:

- Ranking Member George Miller (D–CA) offered an amendment that required the Commissioner of Education Statistics to establish a formula for determining the percentage of student borrowers who have completed their course of study and who are in repayment or in an authorized deferment period at three, five and 10 years after completion of a program of study. The amendment failed by a vote of 13 to 21.

On July 23, 2014, the House of Representatives considered H.R. 4983 under suspension of the rules. The bill was agreed to by voice vote, sent to the Senate, and referred to the Senate Committee on Health, Education, Labor, and Pensions.

On June 26, 2014, Rep. Brett Guthrie (R–KY) and Rep. Richard Hudson (R–NC) introduced H.R. 4984, the *Empowering Students through Enhanced Financial Counseling Act*. The bill amended the loan counseling requirements under the *Higher Education Act* and required counseling for Federal Pell Grant recipients.

On July 10, 2014, the Committee considered H.R. 4984 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 4984:

- Reps. Brett Guthrie (R–KY) and Suzanne Bonamici (D–OR) offered an amendment in the nature of a substitute that removed the requirement that annual counseling for Pell Grant recipients be tied to disbursement of the grant; required additional information be disclosed to borrowers during annual counseling and exit counseling sessions; required institutions to provide annual counseling to borrowers receiving Parent PLUS loans; required any funds used to carry out the act to come from funds already appropriated to maintain the Financial Awareness Counseling Tool; and made conforming and technical changes. The amendment was adopted by voice vote.

The Committee further considered the following amendment to H.R. 4984, which was not adopted:

- Rep. Susan Davis (D–CA) offered an amendment to modify the rule requiring for-profit colleges to receive at least 10 percent of their revenue from sources other than the U.S. Department of Education to remain eligible for federal student aid to include all federal aid, including veterans' educational benefits and some *Workforce Investment Act* funds, in the 90 percent portion of the calculation and only private funds in the 10 percent portion of the calculation.

tion. The amendment was ruled non-germane. Ranking Member George Miller (D–CA) appealed the ruling of the chair. Rep. Glenn Thompson (R–PA) offered a motion to table the appeal of the ruling of the chair, which was adopted by a vote of 20 to 13.

On July 24, 2014, the House of Representatives considered H.R. 4984 and passed it, as amended, by a vote of 405–11. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions.

114TH CONGRESS

Hearings—First session

On February 4, 2015, the Committee held a hearing in Washington, D.C., on “Expanding Opportunity in America’s Schools and Workplaces.” The purpose of the hearing was to allow Committee members to learn about efforts made by state leaders to strengthen education, to make sure those who graduate are prepared to pursue a postsecondary education and compete in the workforce, and promote efforts to spur job creation. Testifying before the Committee were Dr. Michael Amiridis, Provost and Executive Vice President for Academic Affairs, University of South Carolina, Columbia, South Carolina; Mr. Drew Greenblatt, President and CEO, Marlin Steel Wire Products, Baltimore, Maryland; Dr. Lawrence Mishel, Ph.D., President, Economic Policy Institute, Washington, D.C.; and The Honorable Mike Pence, Governor, State of Indiana, Indianapolis, Indiana.

On March 17, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Strengthening America’s Higher Education System.” The purpose of the hearing was to explore policy proposals that align with the Committee’s four pillars for reauthorization of the HEA: (1) empowering students and families to make informed decisions; (2) simplifying and improving student aid; (3) promoting innovation, access, and completion; and (4) ensuring strong accountability and a limited federal role. Testifying before the Subcommittee were Mr. Willis Goldsmith, Partner, Jones Day, New York, New York who testified on behalf of the U.S. Chamber of Commerce; Mr. Stan Soloway, President and CEO, Professional Services Council, Arlington, Virginia; Ms. Angela Styles, Partner, Crowell & Moring LLP, Washington, D.C.; and Ms. Karla Walter, Associate Director, American Worker Project, Center for American Progress, Washington, D.C.

On April 30, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Improving College Access and Completion for Low-Income and First-Generation Students.” The purpose of the hearing was to explore policy proposals and best practices to strengthen programs to help disadvantaged students access and complete higher education. Testifying before the Subcommittee were Dr. Laura Perna, James S. Riepe Professor, Executive Director, Alliance for Higher Education and Democracy, University of Pennsylvania, Philadelphia, Pennsylvania; Dr. Charles J. Alexander, Associate Vice Provost for Student Diversity, Director, Academic Advancement Program, Associate Adjunct Professor, University of California, Los Angeles, California; Dr. Michelle Asha

Cooper, President, Institute for Higher Education Policy, Washington, D.C.; and Dr. Joe D. May, Chancellor, Dallas County Community College District, Dallas, Texas.

On September 10, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training held a hearing in Washington, D.C., on “Preventing and Responding to Sexual Assault on College Campuses.” The purpose of the hearing was to explore policy proposals and best practices to help institutions address and respond to campus sexual assault and violence. Testifying before the Subcommittee were Ms. Dana Scaduto, General Counsel, Dickinson College, Carlisle, Pennsylvania; Dr. Penny Rue, Vice President for Campus Life, Wake Forest University, Winston-Salem, North Carolina; Ms. Lisa M. Maatz, M.A., Vice President for Government Relations, American Association of University Women, Washington, D.C.; and Mr. Joseph Cohn, Legislative and Policy Director, Foundation for Individual Rights in Education, Philadelphia, Pennsylvania.

On November 18, 2015, the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training, together with the House Committee on Oversight and Government Reform Subcommittee on Government Operations held a hearing in Washington, D.C., on “Federal Student Aid: Performance-Based Organization Review.” The purpose of the hearing was to review the Office of Federal Student Aid’s (FSA) responsibilities as a Performance-Based Organization (PBO), evaluate the PBO’s performance, and identify possible areas of reform. Testifying before the subcommittees were Mr. James Runcie, Chief Operating Officer, U.S. Department of Education, Washington, D.C.; Ms. Melissa Emrey-Arras, Director, Education Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C.; The Honorable Kathleen Tighe, Inspector General, U.S. Department of Education, Washington, D.C.; Mr. Ben Miller, Senior Director, Postsecondary Education, Center for American Progress, Washington, D.C.; and Mr. Justin Draeger, President, National Association of Student Financial Aid Administrators, Washington, D.C.

Legislative action—First session

On July 23, 2015, Higher Education and Workforce Training Subcommittee Chairwoman Virginia Foxx along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Luke Messer (R-IN), Gregorio Sablan (D-MP), Tim Walberg (R-MI), Joe Heck (R-NV), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), and Mark DeSaulnier (D-CA) introduced H.R. 3178, the *Strengthening Transparency in Higher Education Act*. The bill ensures straightforward and useful information is easily accessible to students and parents and improves coordination between federal agencies to publish information about colleges and universities.

On July 23, 2015, Rep. Brett Guthrie (R-KY) along with Chairman John Kline (R-MN), Ranking Member Robert C. Scott (D-VA), and Reps. Rick Allen (R-GA), Suzanne Bonamici (D-OR), Duncan Hunter (R-CA), Tim Walberg (R-MI), Joe Heck (R-NV), Luke Messer (R-IN), Buddy Carter (R-GA), Elise Stefanik (R-NY), Susan Davis (D-CA), Raúl Grijalva (D-AZ), Gregorio Sablan (D-MP), Mark Pocan (D-WI), Mark Takano (D-CA), Katherine Clark

(D–MA), Mark DeSaulnier (D–CA), and Richard Hudson (R–NC) introduced H.R. 3179, the *Empowering Students Through Enhanced Financial Counseling Act*. The bill promotes financial literacy through enhanced counseling for all recipients of federal financial aid.

On September 24, 2015, Reps. Mike Bishop (R–MI) and Mark Pocan (D–WI) introduced H.R. 3594, the *Higher Education Extension Act of 2015*. The bill extends the authorization of the National Advisory Committee on Institutional Quality and Integrity and the authority of institutions of higher education to make loans to new borrowers under the federal Perkins loan program through September 30, 2016.

On September 28, 2015, the House of Representatives passed H.R. 3594 by a voice vote. The bill was sent to the Senate and referred to the Senate Committee on Health, Education, Labor, and Pensions. The Senate amended the bill to extend the authorization of the federal Perkins loan program to September 30, 2017. The amendment was adopted by unanimous consent, and the underlying legislation was subsequently passed in the Senate on December 16, 2015, by voice vote.

On December 17, 2015, the House agreed to the Senate amendment by unanimous consent. The *Higher Education Extension Act of 2015* was signed into law by the President on December 18, 2015.

Legislative action—Second session

On June 22, 2016, the Committee on Education and the Workforce considered H.R. 3178 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 3178:

- Subcommittee Chairwoman Virginia Foxx (R–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 22, 2016, the Committee considered H.R. 3179 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 3179:

- Rep. Brett Guthrie (R–KY) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. David “Phil” Roe (R–TN), Jared Polis (D–CO), and Mark Pocan (D–WI) introduced H.R. 5528, the *Simplifying the Application for Student Aid Act*. The bill ensures continued allowance for earlier notification of federal student aid, leverages technology to make the application for federal student aid more accessible and easier to fill out, and provides more time for aid administrators to verify and package student aid.

On June 22, 2016, the Committee considered H.R. 5528 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5528:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Rep. Joe Heck (R–NV) along with Reps. Rubén Hinojosa (D–TX) and Raul Ruiz (D–CA) introduced H.R. 5529, the *Accessing Higher Education Opportunities Act*. The bill expands the authorized uses of funds for Hispanic-Serving Institutions (HSIs) so they may promote dual enrollment opportunities and encourage Hispanic students to pursue doctoral degree programs in the healthcare industry.

On June 22, 2016, the Committee considered H.R. 5529 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5529:

- Rep. Joe Heck (R–NV) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

On June 20, 2016, Reps. Alma Adams (D–NC) and Bradley Byrne (R–AL) introduced H.R. 5530, the *HBCU Capital Financing Improvement Act*. The bill improves the program by requiring the advisory board to send an annual report to Congress regarding the status of the Historically Black College and University (HBCU) Capital Financing Program. Additionally, the bill renames the escrow account to “bond insurance fund.” Lastly, this bill allows for financial counseling to potential eligible HBCUs to assist in their preparation to qualify, apply for, and maintain a capital improvement loan.

On June 22, 2016, the Committee considered H.R. 5530 in legislative session and reported it favorably, as amended, to the House of Representatives by voice vote. The Committee considered and adopted the following amendment to H.R. 5530:

- Rep. Alma Adams (D–NC) offered an amendment in the nature of a substitute to make conforming and technical changes. The amendment was adopted by voice vote.

SUMMARY

The *Simplifying the Application for Student Aid Act* provides for continued earlier notification of federal student aid awards and for better utilization of technology to simplify the FAFSA, and it makes the FAFSA more accessible to students and families.

The legislation ensures students will be able to apply for federal student aid using income data from the tax return filed one year prior to the current application cycle. Since a family’s tax return uses income data from the prior year, the process of using a previous return is often referred to as “prior-prior year.” The legislation also changes the Pell Grant inflationary increase calculation from the end of the calendar year to the end of the fiscal year, thereby allowing aid administrators to package accurate aid packages earlier.

The legislation makes the FAFSA more easily accessible by requiring the Secretary to make the application available on a mobile device. The Secretary is required to consumer test the mobile and online versions of the FAFSA with students in various income situations and with other experts in student financial assistance to ensure the applications are easy to understand and use. The legisla-

tion also requires the Secretary to periodically report on FAFSA simplification efforts and the needs of limited-English proficient students using the FAFSA.

Additionally, the legislation simplifies the FAFSA by requiring the Secretary to make every effort to allow students and families to easily import their Internal Revenue Service (IRS) income data.

COMMITTEE VIEWS

Introduction

Federal, state, and institutional aid is vitally important to many potential and current postsecondary students. However, the federal financial aid system is so complex that it has left many confused about the best options available to pay for their higher education. This is especially true for students whose parents or family members did not attend college.

For many students, this confusion begins when they attempt to fill out the FAFSA, the form that helps financial aid officers determine students' eligibility for financial aid, including the Pell Grant, student loans, work-study opportunities, and state and institutional aid. The FAFSA form—with the paper version running 10 pages and over 100 questions long—is too complex for many students and families to easily understand and complete. Additionally, the traditional aid application timeline has not served the best interest of students, families, and taxpayers.

The timing of the aid application process and the application itself must be improved so students and families can more easily apply and make informed decisions about their postsecondary education options.

Earlier notification of federal student aid

To help streamline and improve the federal student aid process, Reps. Joe Heck (R-NV), David “Phil” Roe (R-TN), Jared Polis (D-CO), and Mark Pocan (D-WI) introduced H.R. 5528, the *Simplifying the Application for Student Aid Act*, to ensure continued allowance for earlier notification of federal student aid.

Historically, the FAFSA was available on January 1 for the upcoming year, well after many college application deadlines, and required applicants to provide income from the tax return due a few months later in April. In order for students to take advantage of the ability to easily transfer their IRS income data onto the FAFSA, they had to wait until after they filed their tax returns. These timing inconsistencies may have caused delays in the submission of FAFSA forms, leaving financial aid administrators little time to put together aid packages for incoming students. According to a 2013 report published by the National Association of Student Financial Aid Administrators:

Under the current structure, delays can cause an unfavorable chain reaction: a delay in completing the income tax return can mean a delay in submitting the FAFSA, which can result in a delay in financial aid notification—and potentially a reduced amount of financial aid. This occurs because some forms of financial aid have a limited pot of funds, which is distributed on a first-come, first-served basis. Every college student needs to know where they

stand sooner rather than later, so the student can adjust and prepare for the costs of college.¹

In order to provide students with earlier aid notifications and assist administrators with more time to package and award aid, stakeholders have long called for a change to allow borrowers to apply for aid using prior-prior year data. At a 2015 hearing of the Committee on Education and the Workforce Subcommittee on Higher Education and Workforce Training hearing, the Honorable Mitch Daniels, former Governor of Indiana and current President of Purdue University, testified about the benefits of changing to prior-prior year:

Basing decisions on a prior-prior year (PPY) basis would enable better alignment of the application process with existing IRS data. The current system, which uses the previous year's financial records, is prone to delays and complications that result from the routine tax process. Switching to PPY would allow time for tax forms to be processed, corrected and analyzed before admissions decisions are made and FAFSA applications are due. It would be advantageous both in terms of financial planning and connecting the application to existing data.²

In the 2008 *Higher Education Opportunity Act*, Congress provided the Secretary the authority to allow the use of prior-prior year income. However, the Secretary is only now utilizing that authority. Starting this year, applicants can complete the FAFSA using prior-prior year income. In addition, the Secretary will make the application available in October 2016, three months earlier than usual. The Committee recognizes the benefits of using prior-prior year data to students, institutions, and taxpayers, and is committed to ensuring this commonsense policy remains in place in future academic years.

The earlier aid process timeline provided by prior-prior year allows other aspects of the aid process to occur sooner as well. H.R. 5528 takes steps to make sure other aspects of the federal student aid system align with an earlier timeline by changing the Pell Grant inflationary increase calculation from occurring at the end of the calendar year to the end of the fiscal year. This will allow aid administrators to offer accurate aid packages to prospective students earlier, giving them more time to weigh options and make the most informed decisions about where to attend and how to finance a higher education. However, the Committee does not intend the move to prior-prior year to complicate income eligibility determinations for TRIO program participants and believes TRIO program administrators should continue to be allowed to use financial aid data from the FAFSA to verify a student's eligibility to be served by TRIO.

Simplifying the FAFSA for students and families

Questions on the FAFSA form range from the net worth of investments to complicated tax questions and are often difficult for students and families to understand. This confusion can deter ap-

¹ <https://www.nasfaa.org/uploads/documents/ppy-report.pdf>, p. 3.

² <http://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=398531>.

plicants from completing the form, preventing students from receiving financial aid for which they may otherwise have been eligible. While steps have been taken to simplify the FAFSA through the use of skip logic and reducing the number of questions families must answer, the Committee believes more can be done.

The move to prior-prior year and the use of IRS data retrieval tool (DRT) will strengthen the integrity of federal financial aid and reduce verification burdens on institutions of higher education. Before prior-prior year, student aid administrators had limited time to verify the accuracy of students' income data. As Michael Bennett, Associate Vice President of Financial Aid Services at St. Petersburg College in Florida, discussed at the March 2015 hearing entitled "Strengthening America's Higher Education System":

With more completed, and therefore accurate, tax information, verification burden for both students and institutions would be dramatically reduced through an increased use of the IRS Data Retrieval Tool. This reduced burden will free up more time for financial aid administrators to spend on counseling students.

The Committee believes the DRT has significantly reduced the burden of filling out the FAFSA by allowing families to import their tax information from the IRS, which eliminates many of the questions students and families struggle to answer. The implementation of prior-prior year allows more families to immediately utilize the DRT by eliminating the delay between filing taxes and the DRT becoming available. The *Simplifying the Application for Student Aid Act* directs the Secretary to allow married taxpayers filing separately to use the DRT as single taxpayers and married taxpayers filing jointly can currently. The legislation also directs the Secretary of Education to make every effort to utilize technology to strengthen the DRT and eliminate the need for students and families to answer questions that are not relevant to them.

H.R. 5528 requires the Secretary to continue examining ways to simplify the FAFSA through the DRT and report to Congress biennially on the U.S. Department of Education's efforts. The Committee encourages the Secretary to consider any redistribution of federal, state, and institutional aid that may occur through such simplification efforts as well as any potential limitations of using IRS data sufficient to calculate need for the determination of state aid. The Committee additionally encourages the Secretary to consider any other means of simplification made possible through the use of prior-prior year data.

The *Simplifying the Application for Student Aid Act* requires the Secretary to conduct consumer testing to ensure the electronic versions of the FAFSA are easily understandable by students and families. The Committee appreciates the work done to make the FAFSA more user-friendly but believes more can be done to make sure the FAFSA is as understandable as possible. By requiring the Secretary to conduct consumer testing with current and prospective college students, family members of such students, financial aid application experts, and students who do and do not qualify for the automatic zero expected family contribution calculation or the Simplified Needs Test, the electronic versions of the FAFSA can be strengthened for efficiency and design.

Promoting FAFSA access

One of the main purposes of FAFSA simplification is to make the form more accessible to students, thereby making a higher education more attainable. Since the creation of the online FAFSA in 1997, FAFSA completion time has decreased. However, this online application is not always easily accessible. A recent report found two million students who would have been eligible for the Pell Grant did not fill out the FAFSA. Roughly 23 percent of these students cited the difficulty of the financial aid form or lack of information about how to apply as a reason for not completing the FAFSA.³ Another report found 40 percent of all families with incomes below \$25,000 and with school-age children lack a high speed internet connection at home.⁴ Students with families in this income bracket are likely eligible for a Pell Grant and the most likely to receive state and institutional aid, both of which often rely on FAFSA data.

The Committee believes barriers to access should be removed and students should not be precluded from applying for aid because their families do not have ready access to computers or Internet. For this reason, the *Simplifying the Application for Student Aid Act* requires the Secretary to make the FAFSA available on mobile phones, through a mobile application or another technology tool.

Additionally, a student's access to federal financial aid should not be hampered by the limited English proficiency of their parents. Complicated financial questions are sometimes best understood when asked in one's native language, similar to how the IRS offers assistance to taxpayers in multiple languages.

The FAFSA relies in large part on IRS data, and there is evidence that parents whose native languages are other than English are relying on costly translation services to enter their information and help their children apply for federal financial aid. The Committee believes the FAFSA should be free for all American citizens and additional expenses for translators should be avoided. The Committee directs the Secretary to take special efforts to make the FAFSA more accessible to families with limited English proficiency, in multiple languages similar to IRS practices cited above. In addition to simplifying the FAFSA completion process for whole populations of students and their families, this legislation also requires the Secretary to periodically report on the needs of limited-English proficient students using the FAFSA.

Conclusion

For many students and families, federal financial aid makes a postsecondary education possible. Confusion surrounding the student aid system, however, can act as a barrier to students attempting to access this assistance. The *Simplifying the Application for Student Aid Act* takes an important step toward simplifying the financial aid process by ensuring students and families can apply more easily and at a time that enables them to make the most informed decisions about their education.

³<https://www.edvisors.com/media/files/student-aid-policy/20150112-leaving-money-on-the-table.pdf>, p. 3.

⁴<http://www.pewresearch.org/fact-tank/2015/04/20/the-numbers-behind-the-broadband-homework-gap/>.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

States the short title is the *Simplifying the Application for Student Aid Act*.

Section 2. Using data from second preceding year

Amends section 480(a) of the *Higher Education Act* to require the Secretary to allow for the use of income from the second preceding tax year when applicants fill out the FAFSA.

Section 3. Calculation of annual adjustment percentage for Federal Pell Grants

Amends section 401(b) of the *Higher Education Act* to allow the adjustment percentage for Federal Pell Grants to be calculated at the end of each fiscal year instead of the end of each calendar year.

Section 4. FAFSA simplification

Amends section 483(a) of the *Higher Education Act* to require the Secretary to make the FAFSA available through a technology tool for mobile devices. Requires the Secretary to conduct consumer testing for the mobile and online versions of the FAFSA to ensure they are easily usable and understandable to students and families.

Amends section 483(f) of the *Higher Education Act* to require the Secretary to make every effort to use data available from the IRS to reduce the amount of original data entry by applicants and allow more taxpayers to utilize the data retrieval tool. Requires the Secretary to report to Congress every other year on its FAFSA simplification efforts and no less than once every 10 years on the needs of limited-English proficient students using the FAFSA.

Reserves \$3 million from funding authorized to be appropriated for maintaining the FAFSA to be available to carry out this legislation and specifies no additional funds are authorized to be appropriated by this legislation.

EXPLANATION OF AMENDMENTS

The amendments, including the amendment in the nature of a substitute, are explained in the body of this report.

APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. H.R. 5528, the *Simplifying the Application for Student Aid Act*, streamlines and improves the student aid process by providing for earlier award notification and making the Free Application for Federal Student Aid (FAFSA) simpler and more accessible.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104–4) requires a statement of whether the provisions of the reported bill include unfunded mandates. This issue is addressed in the CBO letter.

EARMARK STATEMENT

H.R. 5528 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House rule XIII, the goals of H.R. 5528 are to streamline and improve the student aid process by providing for earlier award notification and making the Free Application for Federal Student Aid (FAFSA) simpler and more accessible.

DUPLICATION OF FEDERAL PROGRAMS

No provision of H.R. 5528 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

The committee estimates that enacting H.R. 5528 does not specifically direct the completion of any specific rule makings within the meaning of 5 U.S.C. 551.

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the committee has received the following estimate for H.R. 5528 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 5, 2016.

Hon. JOHN KLINE, *Chairman,*
Committee on Education and the Workforce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5528, the Simplifying the Application for Student Aid Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Justin Humphrey.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 5528—Simplifying the Application for Student Aid Act

H.R. 5528 would reserve \$3 million from funding for the Department of Education to implement changes to the application process for federal student aid. Those changes would include developing and testing a version of the application for mobile devices and continuing to develop the data retrieval system that allows students to pre-populate the online application with data from the Internal Revenue Service.

CBO estimates that implementing the additional administrative requirements in H.R. 5528 would cost \$3 million over the 2017–2021 period; such spending would be subject to the availability of appropriated funds.

Enacting the bill could increase applications for federal student aid, which would increase discretionary spending for Pell grants and direct spending for student loans and Pell grants; therefore, pay-as-you-go procedures apply. However, CBO estimates that those effects would be insignificant for each year and over the 2017–2026 period. Enacting H.R. 5528 would not affect revenues.

CBO estimates that enacting H.R. 5528 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5528 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Justin Humphrey. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 5528. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HIGHER EDUCATION ACT OF 1965

* * * * *

TITLE IV—STUDENT ASSISTANCE**PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF
HIGHER EDUCATION**

* * * * *

Subpart 1—Federal Pell Grants**SEC. 401. FEDERAL PELL GRANTS: AMOUNT AND DETERMINATIONS;
APPLICATIONS.**

(a) PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.—(1) For each fiscal year through fiscal year 2017, the Secretary shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 484) for each academic year during which that student is in attendance at an institution of higher education, as an undergraduate, a Federal Pell Grant in the amount for which that student is eligible, as determined pursuant to subsection (b). Not less than 85 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

(2) Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

(3) Grants made under this subpart shall be known as “Federal Pell Grants”.

(b) PURPOSE AND AMOUNT OF GRANTS.—(1) The purpose of this subpart is to provide a Federal Pell Grant that in combination with reasonable family and student contribution and supplemented by the programs authorized under subparts 3 and 4 of this part, will meet at least 75 percent of a student’s cost of attendance (as defined in section 472), unless the institution determines that a greater amount of assistance would better serve the purposes of this section.

(2)

(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

(i) the maximum Federal Pell Grant, as specified in the last enacted appropriation Act applicable to that award year, plus

(ii) the amount of the increase calculated under paragraph (7)(B) for that year, less

(iii) an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.

(B) In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the Federal Pell Grant to which that student is entitled shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this division, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register in accordance with section 482 of this Act.

(3) No Federal Pell Grant under this subpart shall exceed the difference between the expected family contribution for a student and the cost of attendance (as defined in section 472) at the institution at which that student is in attendance. If, with respect to any student, it is determined that the amount of a Federal Pell Grant plus the amount of the expected family contribution for that student exceeds the cost of attendance for that year, the amount of the Federal Pell Grant shall be reduced until the combination of expected family contribution and the amount of the Federal Pell Grant does not exceed the cost of attendance at such institution.

(4) No Federal Pell Grant shall be awarded to a student under this subpart if the amount of that grant for that student as determined under this subsection for any academic year is less than ten percent of the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A) for such academic year.

(5) Notwithstanding any other provision of this subpart, the Secretary shall allow the amount of the Federal Pell Grant to be exceeded for students participating in a program of study abroad approved for credit by the institution at which the student is enrolled when the reasonable costs of such program are greater than the cost of attendance at the student's home institution, except that the amount of such Federal Pell Grant in any fiscal year shall not exceed the maximum amount of a Federal Pell Grant award determined under paragraph (2)(A), for which a student is eligible during such award year. If the preceding sentence applies, the financial aid administrator at the home institution may use the cost of the study abroad program, rather than the home institution's cost, to determine the cost of attendance of the student.

(6) No Federal Pell Grant shall be awarded under this subpart to any individual who is incarcerated in any Federal or State penal institution or who is subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or non-forcible sexual offense (as determined in accordance with the Federal Bureau of Investigation's Uniform Crime Reporting Program).

(7) ADDITIONAL FUNDS.—

(A) IN GENERAL.—There are authorized to be appropriated, and there are appropriated (in addition to any other amounts appropriated to carry out this section and out of any money in the Treasury not otherwise appropriated) the following amounts—

(i) \$2,030,000,000 for fiscal year 2008;

- (ii) \$2,090,000,000 for fiscal year 2009;
- (iii) to carry out subparagraph (B) of this paragraph, such sums as may be necessary for fiscal year 2010 and each subsequent fiscal year to provide the amount of increase of the maximum Federal Pell Grant required by clauses (ii) and (iii) of subparagraph (B); and
- (iv) to carry out this section—
 - (I) \$13,500,000,000 for fiscal year 2011;
 - (II) \$13,795,000,000 for fiscal year 2012;
 - (III) \$7,587,000,000 for fiscal year 2013;
 - (IV) \$588,000,000 for fiscal year 2014;
 - (V) \$0 for fiscal year 2015;
 - (VI) \$0 for fiscal year 2016;
 - (VII) \$1,574,000,000 for fiscal year 2017;
 - (VIII) \$1,382,000,000 for fiscal year 2018;
 - (IX) \$1,409,000,000 for fiscal year 2019;
 - (X) \$1,430,000,000 for fiscal year 2020; and
 - (XI) \$1,145,000,000 for fiscal year 2021 and each succeeding fiscal year.

(B) INCREASE IN FEDERAL PELL GRANTS.—The amounts made available pursuant to clauses (i) through (iii) of subparagraph (A) of this paragraph shall be used to increase the amount of the maximum Federal Pell Grant for which a student shall be eligible during an award year, as specified in the last enacted appropriation Act applicable to that award year, by—

- (i) \$490 for each of the award years 2008–2009 and 2009–2010;
- (ii) \$690 for each of the award years 2010–2011, 2011–2012, and 2012–2013; and
- (iii) the amount determined under subparagraph (C) for each succeeding award year.

(C) ADJUSTMENT AMOUNTS.—

(i) AWARD YEAR 2013–2014.—For award year 2013–2014, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

(I) \$5,550 or the total maximum Federal Pell Grant for the preceding award year (as determined under clause (iv)(II)), whichever is greater, increased by a percentage equal to the annual adjustment percentage for award year 2013–2014, reduced by

(II) \$4,860 or the maximum Federal Pell Grant for which a student was eligible for the preceding award year, as specified in the last enacted appropriation Act applicable to that year, whichever is greater; and

(III) rounded to the nearest \$5.

(ii) AWARD YEARS 2014–2015 THROUGH 2017–2018.—For each of the award years 2014–2015 through 2017–2018, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to—

(I) the total maximum Federal Pell Grant for the preceding award year (as determined under clause (iv)(II)), increased by a percentage equal to the annual adjustment percentage for the award year for which the amount under this subparagraph is being determined, reduced by

(II) \$4,860 or the maximum Federal Pell Grant for which a student was eligible for the preceding award year, as specified in the last enacted appropriation Act applicable to that year, whichever is greater; and

(III) rounded to the nearest \$5.

(iii) SUBSEQUENT AWARD YEARS.—For award year 2018–2019 and each subsequent award year, the amount determined under this subparagraph for purposes of subparagraph (B)(iii) shall be equal to the amount determined under clause (ii) for award year 2017–2018.

(iv) DEFINITIONS.—For purposes of this subparagraph—

(I) the term “annual adjustment percentage” as applied to an award year, is equal to the estimated percentage change in the Consumer Price Index (as determined by the Secretary, using the definition in section 478(f) for the most recent [calendar year] *fiscal year* ending prior to the beginning of that award year; and

(II) the term “total maximum Federal Pell Grant” as applied to a preceding award year, is equal to the sum of—

(aa) the maximum Federal Pell Grant for which a student is eligible during an award year, as specified in the last enacted appropriation Act applicable to that preceding award year; and

(bb) the amount of the increase in the maximum Federal Pell Grant required by this paragraph for that preceding award year.

(D) PROGRAM REQUIREMENTS AND OPERATIONS OTHERWISE UNAFFECTED.—Except as provided in subparagraphs (B) and (C), nothing in this paragraph shall be construed to alter the requirements and operations of the Federal Pell Grant Program as authorized under this section, or authorize the imposition of additional requirements or operations for the determination and allocation of Federal Pell Grants under this section.

(E) RATABLE INCREASES AND DECREASES.—The amounts specified in subparagraph (B) shall be ratably increased or decreased to the extent that funds available under subparagraph (A) exceed or are less than (respectively) the amount required to provide the amounts specified in subparagraph (B).

(F) AVAILABILITY OF FUNDS.—The amounts made available by subparagraph (A) for any fiscal year shall be available beginning on October 1 of that fiscal year, and shall

remain available through September 30 of the succeeding fiscal year.

(c) PERIOD OF ELIGIBILITY FOR GRANTS.—(1) The period during which a student may receive Federal Pell Grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance except that any period during which the student is enrolled in a noncredit or remedial course of study as defined in paragraph (2) shall not be counted for the purpose of this paragraph.

(2) Nothing in this section shall exclude from eligibility courses of study which are noncredit or remedial in nature (including courses in English language instruction) which are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills. Nothing in this section shall exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

(3) No student is entitled to receive Pell Grant payments concurrently from more than one institution or from the Secretary and an institution.

(4) Notwithstanding paragraph (1), the Secretary may allow, on a case-by-case basis, a student to receive a basic grant if the student—

(A) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

(B) is enrolled or accepted for enrollment in a postbaccalaureate program that does not lead to a graduate degree, and in courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State,

except that this paragraph shall not apply to a student who is enrolled in an institution of higher education that offers a baccalaureate degree in education.

(5) The period during which a student may receive Federal Pell Grants shall not exceed 12 semesters, or the equivalent of 12 semesters, as determined by the Secretary by regulation. Such regulations shall provide, with respect to a student who received a Federal Pell Grant for a term but was enrolled at a fraction of full-time, that only that same fraction of such semester or equivalent shall count towards such duration limits.

(d) APPLICATIONS FOR GRANTS.—(1) The Secretary shall from time to time set dates by which students shall file applications for Federal Pell Grants under this subpart.

(2) Each student desiring a Federal Pell Grant for any year shall file an application therefor containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the functions and responsibilities of this subpart.

(e) DISTRIBUTION OF GRANTS TO STUDENTS.—Payments under this section shall be made in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will

best accomplish the purpose of this section. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

(f) CALCULATION OF ELIGIBILITY.—(1) Each contractor processing applications for awards under this subpart (including a central processor, if any, designated by the Secretary) shall, in a timely manner, furnish to the student financial aid administrator (at each institution of higher education which a student awarded a Federal Pell Grant under this subpart is attending), as a part of its regular output document, the expected family contribution for each such student. Each such student financial aid administrator shall—

(A) examine and assess the data used to calculate the expected family contribution of the student furnished pursuant to this subsection;

(B) recalculate the expected family contribution of the student if there has been a change in circumstances of the student or in the data submitted;

(C) make the award to the student in the correct amount; and

(D) after making such award report the corrected data to such contractor and to a central processor (if any) designated by the Secretary for a confirmation of the correct computation of amount of the expected family contribution for each such student.

(2) Whenever a student receives an award under this subpart that, due to recalculation errors by the institution of higher education, is in excess of the amount which the student is entitled to receive under this subpart, such institution of higher education shall pay to the Secretary the amount of such excess unless such excess can be resolved in a subsequent disbursement to the institution.

(3) Each contractor processing applications for awards under this subpart shall for each academic year after academic year 1986–1987 prepare and submit a report to the Secretary on the correctness of the computations of amount of the expected family contribution, and on the accuracy of the questions on the application form under this subpart for the previous academic year for which the contractor is responsible. The Secretary shall transmit the report, together with the comments and recommendations of the Secretary, to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and the authorizing committees.

(g) INSUFFICIENT APPROPRIATIONS.—If, for any fiscal year, the funds appropriated for payments under this subpart are insufficient to satisfy fully all entitlements, as calculated under subsection (b) (but at the maximum grant level specified in such appropriation), the Secretary shall promptly transmit a notice of such insufficiency to each House of the Congress, and identify in such notice the additional amount that would be required to be appropriated to satisfy fully all entitlements (as so calculated at such maximum grant level).

(h) USE OF EXCESS FUNDS.—(1) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by 15 percent or less, then all of the excess funds shall remain available for making payments under this subpart during the next succeeding fiscal year.

(2) If, at the end of a fiscal year, the funds available for making payments under this subpart exceed the amount necessary to make the payments required under this subpart to eligible students by more than 15 percent, then all of such funds shall remain available for making such payments but payments may be made under this paragraph only with respect to entitlements for that fiscal year.

(i) TREATMENT OF INSTITUTIONS AND STUDENTS UNDER OTHER LAWS.—Any institution of higher education which enters into an agreement with the Secretary to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, a contractor maintaining a system of records to accomplish a function of the Secretary. Recipients of Pell Grants shall not be considered to be individual grantees for purposes of subtitle D of title V of Public Law 100–690.

(j) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—

(1) IN GENERAL.—No institution of higher education shall be an eligible institution for purposes of this subpart if such institution of higher education is ineligible to participate in a loan program under part B or D as a result of a final default rate determination made by the Secretary under part B or D after the final publication of cohort default rates for fiscal year 1996 or a succeeding fiscal year.

(2) SANCTIONS SUBJECT TO APPEAL OPPORTUNITY.—No institution may be subject to the terms of this subsection unless the institution has had the opportunity to appeal the institution’s default rate determination under regulations issued by the Secretary for the loan program authorized under part B or D, as applicable. This subsection shall not apply to an institution that was not participating in the loan program authorized under part B or D on the date of enactment of the Higher Education Amendments of 1998, unless the institution subsequently participates in the loan programs.

* * * * *

PART F—NEED ANALYSIS

* * * * *

SEC. 480. DEFINITIONS.

As used in this part:

(a) TOTAL INCOME.—(1)(A) Except as provided in subparagraph (B) and paragraph (2), the term “total income” is equal to adjusted gross income plus untaxed income and benefits for the preceding tax year minus excludable income (as defined in subsection (e)).

(B) Notwithstanding section 478(a), the Secretary **may** shall provide for the use of data from the second preceding tax year when and to the extent necessary to carry out the simplification of applications (including simplification for a subset of applications)

used for the estimation and determination of financial aid eligibility. Such simplification **[may]** *shall* include the sharing of data between the Internal Revenue Service and the Department, pursuant to the consent of the taxpayer.

(2) No portion of any student financial assistance received from any program by an individual, no portion of veterans' education benefits received by an individual, no portion of a national service educational award or post-service benefit received by an individual under title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.), no portion of any tax credit taken under section 25A of the Internal Revenue Code of 1986, and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax, shall be included as income or assets in the computation of expected family contribution for any program funded in whole or in part under this Act.

(b) UNTAXED INCOME AND BENEFITS.—

(1) The term “untaxed income and benefits” means—

- (A) child support received;
- (B) workman's compensation;
- (C) veteran's benefits such as death pension, dependency, and indemnity compensation, but excluding veterans' education benefits as defined in subsection (c);
- (D) interest on tax-free bonds;
- (E) housing, food, and other allowances (excluding rent subsidies for low-income housing) for military, clergy, and others (including cash payments and cash value of benefits), except that the value of on-base military housing or the value of basic allowance for housing determined under section 403(b) of title 37, United States Code, received by the parents, in the case of a dependent student, or the student or student's spouse, in the case of an independent student, shall be excluded;
- (F) cash support or any money paid on the student's behalf, except, for dependent students, funds provided by the student's parents;
- (G) untaxed portion of pensions;
- (H) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and
- (I) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, or railroad retirement benefits, or benefits received through participation in employment and training activities under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(2) The term “untaxed income and benefits” shall not include—

- (A) the amount of additional child tax credit claimed for Federal income tax purposes;
- (B) welfare benefits, including assistance under a State program funded under part A of title IV of the Social Security Act and aid to dependent children;
- (C) the amount of earned income credit claimed for Federal income tax purposes;
- (D) the amount of credit for Federal tax on special fuels claimed for Federal income tax purposes;

- (E) the amount of foreign income excluded for purposes of Federal income taxes; or
- (F) untaxed social security benefits.
- (c) VETERAN AND VETERANS' EDUCATION BENEFITS.—(1) The term “veteran” means any individual who—
- (A) has engaged in the active duty in the United States Army, Navy, Air Force, Marines, or Coast Guard; and
- (B) was released under a condition other than dishonorable.
- (2) The term “veterans’ education benefits” means veterans’ benefits the student will receive during the award year, including but not limited to benefits under the following provisions of law:
- (A) Chapter 103 of title 10, United States Code (Senior Reserve Officers’ Training Corps).
- (B) Chapter 106A of title 10, United States Code (Educational Assistance for Persons Enlisting for Active Duty).
- (C) Chapter 1606 of title 10, United States Code (Selected Reserve Educational Assistance Program).
- (D) Chapter 1607 of title 10, United States Code (Educational Assistance Program for Reserve Component Members Supporting Contingency Operations and Certain Other Operations).
- (E) Chapter 30 of title 38, United States Code (All-Volunteer Force Educational Assistance Program, also known as the “Montgomery GI Bill—active duty”).
- (F) Chapter 31 of title 38, United States Code (Training and Rehabilitation for Veterans with Service-Connected Disabilities).
- (G) Chapter 32 of title 38, United States Code (Post-Vietnam Era Veterans’ Educational Assistance Program).
- (H) Chapter 33 of title 38, United States Code (Post-9/11 Educational Assistance).
- (I) Chapter 35 of title 38, United States Code (Survivors’ and Dependents’ Educational Assistance Program).
- (J) Section 903 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note) (Educational Assistance Pilot Program).
- (K) Section 156(b) of the “Joint Resolution making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes” (42 U.S.C. 402 note) (Restored Entitlement Program for Survivors, also known as “Quayle benefits”).
- (L) The provisions of chapter 3 of title 37, United States Code, related to subsistence allowances for members of the Reserve Officers Training Corps.
- (d) INDEPENDENT STUDENT.—
- (1) DEFINITION.—The term “independent”, when used with respect to a student, means any individual who—
- (A) is 24 years of age or older by December 31 of the award year;
- (B) is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- (C) is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship

as determined by a court of competent jurisdiction in the individual's State of legal residence;

(D) is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1)) or is currently serving on active duty in the Armed Forces for other than training purposes;

(E) is a graduate or professional student;

(F) is a married individual;

(G) has legal dependents other than a spouse;

(H) has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act), or as unaccompanied, at risk of homelessness, and self-supporting, by—

(i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

(ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;

(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or

(iv) a financial aid administrator; or

(I) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

(2) SIMPLIFYING THE DEPENDENCY OVERRIDE PROCESS.—A financial aid administrator may make a determination of independence under paragraph (1)(I) based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.

(e) EXCLUDABLE INCOME.—The term “excludable income” means—

(1) any student financial assistance awarded based on need as determined in accordance with the provisions of this part, including any income earned from work under part C of this title;

(2) any income earned from work under a cooperative education program offered by an institution of higher education;

(3) any living allowance received by a participant in a program established under the National and Community Service Act of 1990;

(4) child support payments made by the student or parent;

(5) payments made and services provided under part E of title IV of the Social Security Act; and

(6) special combat pay.

(f) ASSETS.—(1) The term “assets” means cash on hand, including the amount in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, qualified education benefits (except as provided in

paragraph (3)), and the net value of real estate, income producing property, and business and farm assets.

(2) With respect to determinations of need under this title, other than for subpart 4 of part A, the term “assets” shall not include the net value of—

- (A) the family’s principal place of residence;
- (B) a family farm on which the family resides; or
- (C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family.

(3) A qualified education benefit shall be considered an asset of—

- (A) the student if the student is an independent student;
- or
- (B) the parent if the student is a dependent student, regardless of whether the owner of the account is the student or the parent.

(4) In determining the value of assets in a determination of need under this title (other than for subpart 4 of part A), the value of a qualified education benefit shall be—

- (A) the refund value of any tuition credits or certificates purchased under a qualified education benefit; and
- (B) in the case of a program in which contributions are made to an account that is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account, the current balance of such account.

(5) In this subsection:

- (A) The term “qualified education benefit” means—
 - (i) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other prepaid tuition plan offered by a State; and
 - (ii) a Coverdell education savings account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986).

(B) The term “qualified higher education expenses” has the meaning given the term in section 529(e) of the Internal Revenue Code of 1986.

(g) NET ASSETS.—The term “net assets” means the current market value at the time of application of the assets (as defined in subsection (f)), minus the outstanding liabilities or indebtedness against the assets.

(h) TREATMENT OF INCOME TAXES PAID TO OTHER JURISDICTIONS.—(1) The tax on income paid to the Governments of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau under the laws applicable to those jurisdictions, or the comparable tax paid to the central government of a foreign country, shall be treated as Federal income taxes.

(2) References in this part to the Internal Revenue Code of 1986, Federal income tax forms, and the Internal Revenue Service shall, for purposes of the tax described in paragraph (1), be treated as references to the corresponding laws, tax forms, and tax collection agencies of those jurisdictions, respectively, subject to such adjustments as the Secretary may provide by regulation.

(i) **CURRENT BALANCE.**—The term “current balance of checking and savings accounts” does not include any funds over which an individual is barred from exercising discretion and control because of the actions of any State in declaring a bank emergency due to the insolvency of a private deposit insurance fund.

(j) **OTHER FINANCIAL ASSISTANCE.**—(1) For purposes of determining a student’s eligibility for funds under this title, estimated financial assistance not received under this title shall include all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student’s need is made, including national service educational awards or post-service benefits under title I of the National and Community Service Act of 1990 (42 U.S.C. 12511 et seq.), but excluding veterans’ education benefits as defined in subsection (c).

(2) Notwithstanding paragraph (1), a tax credit taken under section 25A of the Internal Revenue Code of 1986, or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code, shall not be treated as estimated financial assistance for purposes of section 471(3).

(3) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is provided by a State and is designated by such State to offset a specific component of the cost of attendance. If that assistance is excluded from either estimated financial assistance or cost of attendance, it shall be excluded from both.

(4) Notwithstanding paragraph (1), special combat pay shall not be treated as estimated financial assistance for purposes of section 471(3).

(k) **DEPENDENTS.**—(1) Except as otherwise provided, the term “dependent of the parent” means the student, dependent children of the student’s parents, including those children who are deemed to be dependent students when applying for aid under this title, and other persons who live with and receive more than one-half of their support from the parent and will continue to receive more than half of their support from the parent during the award year.

(2) Except as otherwise provided, the term “dependent of the student” means the student’s dependent children and other persons (except the student’s spouse) who live with and receive more than one-half of their support from the student and will continue to receive more than half of their support from the student during the award year.

(l) **FAMILY SIZE.**—(1) In determining family size in the case of a dependent student—

(A) if the parents are not divorced or separated, family members include the student’s parents, and the dependents of the student’s parents including the student;

(B) if the parents are divorced or separated, family members include the parent whose income is included in computing available income and that parent’s dependents, including the student; and

(C) if the parents are divorced and the parent whose income is so included is remarried, or if the parent was a widow or

widower who has remarried, family members also include, in addition to those individuals referred to in subparagraph (B), the new spouse and any dependents of the new spouse if that spouse's income is included in determining the parents' adjusted available income.

(2) In determining family size in the case of an independent student—

(A) family members include the student, the student's spouse, and the dependents of the student; and

(B) if the student is divorced or separated, family members do not include the spouse (or ex-spouse), but do include the student and the student's dependents.

(m) BUSINESS ASSETS.—The term “business assets” means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery, and other equipment, patents, franchise rights, and copyrights.

(n) SPECIAL COMBAT PAY.—The term “special combat pay” means pay received by a member of the Armed Forces because of exposure to a hazardous situation.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

* * * * *

SEC. 483. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL AID FORM DEVELOPMENT AND PROCESSING.—

(1) IN GENERAL.—The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall produce, distribute, and process free of charge common financial reporting forms as described in this subsection to be used for application and reapplication to determine the need and eligibility of a student for financial assistance under parts A through E (other than subpart 4 of part A). The forms shall be made available to applicants in both paper and electronic formats and shall be referred to as the “Free Application for Federal Student Aid” or the “FAFSA”. The Secretary shall work to make the FAFSA consumer-friendly and to make questions on the FAFSA easy for students and families to read and understand, and shall ensure that the FAFSA is available in formats accessible to individuals with disabilities.

(2) PAPER FORMAT.—

(A) IN GENERAL.—The Secretary shall develop, make available, and process—

(i) a paper version of EZ FAFSA, as described in subparagraph (B); and

(ii) a paper version of the other forms described in this subsection, in accordance with subparagraph (C), for any applicant who does not meet the requirements of or does not wish to use the process described in subparagraph (B).

(B) EZ FAFSA.—

(i) IN GENERAL.—The Secretary shall develop and use, after appropriate field testing, a simplified paper

form, to be known as the EZ FAFSA, to be used for applicants meeting the requirements of subsection (b) or (c) of section 479.

(ii) REDUCED DATA REQUIREMENTS.—The EZ FAFSA shall permit an applicant to submit, for financial assistance purposes, only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

(iii) STATE DATA.—The Secretary shall include on the EZ FAFSA such data items as may be necessary to award State financial assistance, as provided under paragraph (5), except that the Secretary shall not include a State's data if that State does not permit the State's resident applicants to use the EZ FAFSA for State assistance.

(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (6) shall apply to the EZ FAFSA, and the data collected by means of the EZ FAFSA shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (10).

(C) PROMOTING THE USE OF ELECTRONIC FAFSA.—

(i) IN GENERAL.—The Secretary shall make all efforts to encourage all applicants to utilize the electronic version of the forms described in paragraph (3).

(ii) MAINTENANCE OF THE FAFSA IN A PRINTABLE ELECTRONIC FILE.—The Secretary shall maintain a version of the paper forms described in subparagraphs (A) and (B) in a printable electronic file that is easily portable, accessible, and downloadable to students on the same website used to provide students with the electronic version of the forms described in paragraph (3).

(iii) REQUESTS FOR PRINTED COPY.—The Secretary shall provide a printed copy of the full paper version of FAFSA upon request.

(iv) REPORTING REQUIREMENT.—The Secretary shall maintain data, and periodically report to Congress, on the impact of the digital divide on students completing applications for aid under this title. The Secretary shall report on the steps taken to eliminate the digital divide and reduce production of the paper form described in subparagraph (A). The Secretary's report shall specifically address the impact of the digital divide on the following student populations:

- (I) Independent students.
- (II) Traditionally underrepresented students.
- (III) Dependent students.

(3) ELECTRONIC FORMAT.—

(A) IN GENERAL.—The Secretary shall produce, distribute, and process forms in electronic format to meet the requirements of paragraph (1). The Secretary shall develop an electronic version of the forms for applicants who do not

meet the requirements of subsection (b) or (c) of section 479.

(B) SIMPLIFIED APPLICATIONS: FAFSA ON THE WEB.—

(i) IN GENERAL.—The Secretary shall develop and use a simplified electronic version of the form to be used by applicants meeting the requirements under subsection (b) or (c) of section 479.

(ii) REDUCED DATA REQUIREMENTS.—The simplified electronic version of the forms shall permit an applicant to submit, for financial assistance purposes, only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

(iii) USE OF FORMS.—Nothing in this subsection shall be construed to prohibit the use of the forms developed by the Secretary pursuant to this paragraph by an eligible institution, eligible lender, guaranty agency, State grant agency, private computer software provider, a consortium thereof, or such other entities as the Secretary may designate.

(C) STATE DATA.—The Secretary shall include on the electronic version of the forms such items as may be necessary to determine eligibility for State financial assistance, as provided under paragraph (5), except that the Secretary shall not require an applicant to enter data pursuant to this subparagraph that are required by any State other than the applicant's State of residence.

(D) AVAILABILITY AND PROCESSING.—The data collected by means of the simplified electronic version of the forms shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (10).

(E) PRIVACY.—The Secretary shall ensure that data collection under this paragraph complies with section 552a of title 5, United States Code, and that any entity using the electronic version of the forms developed by the Secretary pursuant to this paragraph shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic version of the forms. Data collected by such electronic version of the forms shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by such electronic version of the forms shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary, except as may be permitted under this title.

(F) SIGNATURE.—Notwithstanding any other provision of this Act, the Secretary may continue to permit an electronic version of the form under this paragraph to be submitted without a signature, if a signature is subsequently

submitted by the applicant or if the applicant uses a personal identification number provided by the Secretary under subparagraph (G).

(G) PERSONAL IDENTIFICATION NUMBERS AUTHORIZED.—The Secretary may continue to assign to an applicant a personal identification number—

- (i) to enable the applicant to use such number as a signature for purposes of completing an electronic version of a form developed under this paragraph; and
- (ii) for any purpose determined by the Secretary to enable the Secretary to carry out this title.

(H) PERSONAL IDENTIFICATION NUMBER IMPROVEMENT.—The Secretary shall continue to work with the Commissioner of Social Security to minimize the time required for an applicant to obtain a personal identification number when applying for aid under this title through an electronic version of a form developed under this paragraph.

(I) *FORMAT.*—*Not later than 180 days after the date of the enactment of the Simplifying the Application for Student Aid Act, the Secretary shall make the electronic version of the forms under this paragraph available through a technology tool that can be used on mobile devices. Such technology tool shall, at minimum, enable applicants to—*

- (i) save data; and*
- (ii) submit their FAFSA to the Secretary through such tool.*

(J) *CONSUMER TESTING.*—*In developing and maintaining the electronic version of the forms under this paragraph and the technology tool for mobile devices under subparagraph (I), the Secretary shall conduct consumer testing with appropriate persons to ensure the forms and technology tool are designed to be easily usable and understandable by students and families. Such consumer testing shall include—*

- (i) current and prospective college students, family members of such students, and other individuals with expertise in student financial assistance application processes;*
- (ii) dependent students and independent students meeting the requirements under subsection (b) or (c) of section 479; and*
- (iii) dependent students and independent students who do not meet the requirements under subsection (b) or (c) of section 479.*

(4) STREAMLINING.—

(A) STREAMLINED REAPPLICATION PROCESS.—

(i) IN GENERAL.—The Secretary shall continue to streamline reapplication forms and processes for an applicant who applies for financial assistance under this title in the next succeeding academic year subsequent to an academic year for which such applicant applied for financial assistance under this title.

(ii) UPDATING OF DATA ELEMENTS.—The Secretary shall determine, in cooperation with States, institu-

tions of higher education, agencies, and organizations involved in student financial assistance, the data elements that may be transferred from the previous academic year's application and those data elements that shall be updated.

(iii) **REDUCED DATA AUTHORIZED.**—Nothing in this title shall be construed as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.

(iv) **ZERO FAMILY CONTRIBUTION.**—Applicants determined to have a zero family contribution pursuant to section 479(c) shall not be required to provide any financial data in a reapplication form, except data that are necessary to determine eligibility under such section.

(B) REDUCTION OF DATA ELEMENTS.—

(i) **REDUCTION ENCOURAGED.**—Of the number of data elements on the FAFSA used for the 2009–2010 award year, the Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance and consistent with efforts under subsection (c), shall continue to reduce the number of such data elements required to be entered by all applicants, with the goal of reducing such number by 50 percent.

(ii) **REPORT.**—The Secretary shall submit a report on the process of this reduction to each of the authorizing committees by June 30, 2011.

(5) STATE REQUIREMENTS.—

(A) IN GENERAL.—Except as provided in paragraphs (2)(B)(iii), (3)(B), and (4)(A)(ii), the Secretary shall include on the forms developed under this subsection, such State-specific data items as the Secretary determines are necessary to meet State requirements for need-based State aid. Such items shall be selected in consultation with State agencies in order to assist in the awarding of State financial assistance in accordance with the terms of this subsection. The number of such data items shall not be less than the number included on the form for the 2008–2009 award year unless a State notifies the Secretary that the State no longer requires those data items for the distribution of State need-based aid.

(B) ANNUAL REVIEW.—The Secretary shall conduct an annual review to determine—

(i) which data items each State requires to award need-based State aid; and

(ii) if the State will permit an applicant to file a form described in paragraph (2)(B) or (3)(B).

(C) FEDERAL REGISTER NOTICE.—Beginning with the forms developed under paragraphs (2)(B) and (3)(B) for the award year 2010–2011, the Secretary shall publish on an annual basis a notice in the Federal Register requiring State agencies to inform the Secretary—

(i) if the State agency is unable to permit applicants to utilize the simplified forms described in paragraphs (2)(B) and (3)(B); and

(ii) of the State-specific nonfinancial data that the State agency requires for delivery of State need-based financial aid.

(D) USE OF SIMPLIFIED FORMS ENCOURAGED.—The Secretary shall encourage States to take such steps as are necessary to encourage the use of simplified forms under this subsection, including those forms described in paragraphs (2)(B) and (3)(B), for applicants who meet the requirements of subsection (b) or (c) of section 479.

(E) CONSEQUENCES IF STATE DOES NOT ACCEPT SIMPLIFIED FORMS.—If a State does not permit an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid, the Secretary may determine that State-specific questions for such State will not be included on a form described in paragraph (2)(B) or (3)(B). If the Secretary makes such determination, the Secretary shall advise the State of the Secretary's determination.

(F) LACK OF STATE RESPONSE TO REQUEST FOR INFORMATION.—If a State does not respond to the Secretary's request for information under subparagraph (B), the Secretary shall—

(i) permit residents of that State to complete simplified forms under paragraphs (2)(B) and (3)(B); and

(ii) not require any resident of such State to complete any data items previously required by that State under this section.

(G) RESTRICTION.—The Secretary shall, to the extent practicable, not require applicants to complete any financial or nonfinancial data items that are not required—

(i) by the applicant's State; or

(ii) by the Secretary.

(6) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—The need and eligibility of a student for financial assistance under parts A through E (other than under subpart 4 of part A) may be determined only by using a form developed by the Secretary under this subsection. Such forms shall be produced, distributed, and processed by the Secretary, and no parent or student shall be charged a fee by the Secretary, a contractor, a third-party servicer or private software provider, or any other public or private entity for the collection, processing, or delivery of financial aid through the use of such forms. No data collected on a form for which a fee is charged shall be used to complete the form prescribed under this section, except that a Federal or State income tax form prepared by a paid income tax preparer or preparer service for the primary purpose of filing a Federal or State income tax return may be used to complete the form prescribed under this section.

(7) RESTRICTIONS ON USE OF PIN.—No person, commercial entity, or other entity may request, obtain, or utilize an applicant's personal identification number assigned under para-

graph (3)(G) for purposes of submitting a form developed under this subsection on an applicant's behalf.

(8) APPLICATION PROCESSING CYCLE.—The Secretary shall enable students to submit forms developed under this subsection and initiate the processing of such forms under this subsection, as early as practicable prior to January 1 of the student's planned year of enrollment.

(9) EARLY ESTIMATES.—The Secretary shall continue to—

(A) permit applicants to enter data in such forms as described in this subsection in the years prior to enrollment in order to obtain a non-binding estimate of the applicant's family contribution (as defined in section 473);

(B) permit applicants to update information submitted on forms described in this subsection, without needing to re-enter previously submitted information;

(C) develop a means to inform applicants, in the years prior to enrollment, of student aid options for individuals in similar financial situations;

(D) develop a means to provide a clear and conspicuous notice that the applicant's expected family contribution is subject to change and may not reflect the final expected family contribution used to determine Federal student financial aid award amounts under this title; and

(E) consult with representatives of States, institutions of higher education, and other individuals with experience or expertise in student financial assistance application processes in making updates to forms used to provide early estimates under this paragraph.

(10) DISTRIBUTION OF DATA.—Institutions of higher education, guaranty agencies, and States shall receive, without charge, the data collected by the Secretary using a form developed under this subsection for the purposes of processing loan applications and determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.

(11) THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.—To the extent practicable and in a timely manner, the Secretary shall provide, to private organizations and consortia that develop software used by institutions of higher education for the administration of funds under this title, all the necessary specifications that the organizations and consortia must meet for the software the organizations and consortia develop, produce, and distribute (including any diskette, modem, or network communications) to be so used. The specifications shall contain record layouts for required data. The Secretary shall develop in advance of each processing cycle an annual schedule for providing such specifications. The Secretary, to the extent practicable, shall use multiple means of providing such specifications, including conferences and other meetings, outreach, and technical support mechanisms (such as training and printed reference materials). The Secretary shall, from time to time,

solicit from such organizations and consortia means of improving the support provided by the Secretary.

(12) PARENT'S SOCIAL SECURITY NUMBER AND BIRTH DATE.—The Secretary is authorized to include space on the forms developed under this subsection for the social security number and birth date of parents of dependent students seeking financial assistance under this title.

(b) INFORMATION TO COMMITTEES OF CONGRESS.—Copies of all rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this title shall be provided to the authorizing committees at least 45 days prior to their effective date.

(c) TOLL-FREE INFORMATION.—The Secretary shall contract for, or establish, and publicize a toll-free telephone service to provide timely and accurate information to the general public. The information provided shall include specific instructions on completing the application form for assistance under this title. Such service shall also include a service accessible by telecommunications devices for the deaf (TDD's) and shall, in addition to the services provided for in the previous sentence, refer such students to the national clearinghouse on postsecondary education or other appropriate provider of technical assistance and information on postsecondary educational services for individuals with disabilities, including the National Technical Assistance Center under section 777. The Secretary shall continue to implement, to the extent practicable, a toll-free telephone based system to permit applicants who meet the requirements of subsection (b) or (c) of section 479 to submit an application over such system.

(d) ASSISTANCE IN PREPARATION OF FINANCIAL AID APPLICATION.—

(1) PREPARATION AUTHORIZED.—Notwithstanding any provision of this Act, an applicant may use a preparer for consultative or preparation services for the completion of a form developed under subsection (a) if the preparer satisfies the requirements of this subsection.

(2) PREPARER IDENTIFICATION REQUIRED.—If an applicant uses a preparer for consultative or preparation services for the completion of a form developed under subsection (a), and for which a fee is charged, the preparer shall—

(A) include, at the time the form is submitted to the Department, the name, address or employer's address, social security number or employer identification number, and organizational affiliation of the preparer on the applicant's form; and

(B) be subject to the same penalties as an applicant for purposely giving false or misleading information in the application.

(3) ADDITIONAL REQUIREMENTS.—A preparer that provides consultative or preparation services pursuant to this subsection shall—

(A) clearly inform each individual upon initial contact, including contact through the Internet or by telephone, that the FAFSA and EZ FAFSA are free forms that may be completed without professional assistance via paper or

electronic version of the forms that are provided by the Secretary;

(B) include in any advertising clear and conspicuous information that the FAFSA and EZ FAFSA are free forms that may be completed without professional assistance via paper or electronic version of the forms that are provided by the Secretary;

(C) if advertising or providing any information on a website, or if providing services through a website, include on the website a link to the website that provides the electronic version of the forms developed under subsection (a); and

(D) not produce, use, or disseminate any other form for the purpose of applying for Federal student financial aid other than the form developed by the Secretary under subsection (a).

(4) SPECIAL RULE.—Nothing in this Act shall be construed to limit preparers of the forms required under this title that meet the requirements of this subsection from collecting source information from a student or parent, including Internal Revenue Service tax forms, in providing consultative and preparation services in completing the forms.

(e) EARLY APPLICATION AND ESTIMATED AWARD DEMONSTRATION PROGRAM.—

(1) PURPOSE AND OBJECTIVES.—The purpose of the demonstration program under this subsection is to measure the benefits, in terms of student aspirations and plans to attend an institution of higher education, and any adverse effects, in terms of program costs, integrity, distribution, and delivery of aid under this title, of implementing an early application system for all dependent students that allows dependent students to apply for financial aid using information from two years prior to the year of enrollment. Additional objectives associated with implementation of the demonstration program are the following:

(A) To measure the feasibility of enabling dependent students to apply for Federal, State, and institutional financial aid in their junior year of secondary school, using information from two years prior to the year of enrollment, by completing any of the forms under this subsection.

(B) To identify whether receiving final financial aid award estimates not later than the fall of the senior year of secondary school provides students with additional time to compete for the limited resources available for State and institutional financial aid and positively impacts the college aspirations and plans of these students.

(C) To measure the impact of using income information from the years prior to enrollment on—

(i) eligibility for financial aid under this title and for other State and institutional aid; and

(ii) the cost of financial aid programs under this title.

(D) To effectively evaluate the benefits and adverse effects of the demonstration program on program costs, integrity, distribution, and delivery of financial aid.

(2) PROGRAM AUTHORIZED.—Not later than two years after the date of enactment of the Higher Education Opportunity Act, the Secretary shall implement an early application demonstration program enabling dependent students who wish to participate in the program—

(A) to complete an application under this subsection during the academic year that is two years prior to the year such students plan to enroll in an institution of higher education; and

(B) based on the application described in subparagraph (A), to obtain, not later than one year prior to the year of the students' planned enrollment, information on eligibility for Federal Pell Grants, Federal student loans under this title, and State and institutional financial aid for the student's first year of enrollment in the institution of higher education.

(3) EARLY APPLICATION AND ESTIMATED AWARD.—For all dependent students selected for participation in the demonstration program who submit a completed FAFSA, or, as appropriate, an EZ FAFSA, two years prior to the year such students plan to enroll in an institution of higher education, the Secretary shall, not later than one year prior to the year of such planned enrollment—

(A) provide each student who completes an early application with an estimated determination of such student's—

(i) expected family contribution for the first year of the student's enrollment in an institution of higher education; and

(ii) Federal Pell Grant award for the first such year, based on the Federal Pell Grant amount, determined under section 401(b)(2)(A), for which a student is eligible at the time of application; and

(B) remind the students of the need to update the students' information during the calendar year of enrollment using the expedited reapplication process provided for in subsection (a)(4)(A).

(4) PARTICIPANTS.—The Secretary shall include as participants in the demonstration program—

(A) States selected through the application process described in paragraph (5);

(B) institutions of higher education within the selected States that are interested in participating in the demonstration program, and that can make estimates or commitments of institutional student financial aid, as appropriate, to students the year before the students' planned enrollment date; and

(C) secondary schools within the selected States that are interested in participating in the demonstration program, and that can commit resources to—

(i) advertising the availability of the program;

(ii) identifying students who might be interested in participating in the program;

(iii) encouraging such students to apply; and

(iv) participating in the evaluation of the program.

(5) APPLICATIONS.—Each State that is interested in participating in the demonstration program shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary shall require. The application shall include—

(A) information on the amount of the State's need-based student financial assistance available, and the eligibility criteria for receiving such assistance;

(B) a commitment to make, not later than the year before the dependent students participating in the demonstration program plan to enroll in an institution of higher education, an estimate of the award of State financial aid to such dependent students;

(C) a plan for recruiting institutions of higher education and secondary schools with different demographic characteristics to participate in the program;

(D) a plan for selecting institutions of higher education and secondary schools to participate in the program that—

(i) demonstrate a commitment to encouraging students to submit a FAFSA, or, as appropriate, an EZ FAFSA, two years before the students' planned date of enrollment in an institution of higher education;

(ii) serve different populations of students;

(iii) in the case of institutions of higher education—

(I) to the extent possible, are of varying types and sectors; and

(II) commit to making, not later than the year prior to the year that dependent students participating in the demonstration program plan to enroll in the institution—

(aa) estimated institutional awards to participating dependent students; and

(bb) estimated grants or other financial aid available under this title (including supplemental grants under subpart 3 of part A), for all participating dependent students, along with information on State awards, as provided to the institution by the State;

(E) a commitment to participate in the evaluation conducted by the Secretary; and

(F) such other information as the Secretary may require.

(6) SPECIAL PROVISIONS.—

(A) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—A financial aid administrator at an institution of higher education participating in a demonstration program under this subsection may use the discretion provided under section 479A as necessary for students participating in the demonstration program.

(B) WAIVERS.—The Secretary is authorized to waive, for an institution of higher education participating in the demonstration program, any requirements under this title, or regulations prescribed under this title, that will make the demonstration program unworkable, except that the Secretary shall not waive any provisions with respect to

the maximum award amounts for grants and loans under this title.

(7) **OUTREACH.**—The Secretary shall make appropriate efforts to notify States of the demonstration program under this subsection. Upon determination of participating States, the Secretary shall continue to make efforts to notify institutions of higher education and dependent students within participating States of the opportunity to participate in the demonstration program and of the participation requirements.

(8) **EVALUATION.**—The Secretary shall conduct a rigorous evaluation of the demonstration program to measure the program's benefits and adverse effects, as the benefits and effects relate to the purpose and objectives of the program described in paragraph (1). In conducting the evaluation, the Secretary shall—

(A) determine whether receiving financial aid estimates one year prior to the year in which the student plans to enroll in an institution of higher education, has a positive impact on the higher education aspirations and plans of such student;

(B) measure the extent to which using a student's income information from the year that is two years prior to the student's planned enrollment date had an impact on the ability of States and institutions of higher education to make financial aid awards and commitments;

(C) determine what operational changes are required to implement the program on a larger scale;

(D) identify any changes to Federal law that are necessary to implement the program on a permanent basis;

(E) identify the benefits and adverse effects of providing early estimates on program costs, program operations, program integrity, award amounts, distribution, and delivery of aid; and

(F) examine the extent to which estimated awards differ from actual awards made to students participating in the program.

(9) **CONSULTATION.**—The Secretary shall consult, as appropriate, with the Advisory Committee on Student Financial Assistance established under section 491 on the design, implementation, and evaluation of the demonstration program.

[(f) REDUCTION OF INCOME AND ASSET INFORMATION TO DETERMINE ELIGIBILITY FOR STUDENT FINANCIAL AID.—

[(1) CONTINUATION OF CURRENT FAFSA SIMPLIFICATION EFFORTS.—The Secretary shall continue to examine—

[(A) how the Internal Revenue Service can provide to the Secretary income and other data needed to compute an expected family contribution for taxpayers and dependents of taxpayers, and when in the application cycle the data can be made available;

[(B) whether data provided by the Internal Revenue Service can be used to—

[(i) prepopulate the electronic version of the FAFSA with student and parent taxpayer data; or

[(ii) generate an expected family contribution without additional action on the part of the student and taxpayer; and

[(C) whether the data elements collected on the FAFSA that are needed to determine eligibility for student aid, or to administer the Federal student financial aid programs under this title, but are not needed to compute an expected family contribution, such as information regarding the student's citizenship or permanent residency status, registration for selective service, or driver's license number, can be reduced without adverse effects.

[(2) REPORT ON FAFSA SIMPLIFICATION EFFORTS TO DATE.— Not later than 90 days after the date of enactment of the Higher Education Opportunity Act, the Secretary shall provide a written report to the authorizing committees on the work the Department has done with the Secretary of the Treasury regarding—

[(A) how the expected family contribution of a student can be calculated using substantially less income and asset information than was used on March 31, 2008;

[(B) the extent to which the reduced income and asset information will result in a redistribution of Federal grants and subsidized loans under this title, State aid, or institutional aid, or in a change in the composition of the group of recipients of such aid, and the amount of such redistribution;

[(C) how the alternative approaches for calculating the expected family contribution will—

[(i) rely mainly, in the case of students and parents who file income tax returns, on information available on the 1040, 1040EZ, and 1040A; and

[(ii) include formulas for adjusting income or asset information to produce similar results to the existing approach with less data;

[(D) how the Internal Revenue Service can provide to the Secretary of Education income and other data needed to compute an expected family contribution for taxpayers and dependents of taxpayers, and when in the application cycle the data can be made available;

[(E) whether data provided by the Internal Revenue Service can be used to—

[(i) prepopulate the electronic version of the FAFSA with student and parent taxpayer data; or

[(ii) generate an expected family contribution without additional action on the part of the student and taxpayer;

[(F) the extent to which the use of income data from two years prior to a student's planned enrollment date will change the expected family contribution computed in accordance with part F, and potential adjustments to the need analysis formula that will minimize the change; and

[(G) the extent to which the data elements collected on the FAFSA on March 31, 2008, that are needed to determine eligibility for student aid or to administer the Federal student financial aid programs, but are not needed to

compute an expected family contribution, such as information regarding the student's citizenship or permanent residency status, registration for selective service, or driver's license number, can be reduced without adverse effects.

[(3) STUDY.—

[(A) FORMATION OF STUDY GROUP.—Not later than 90 days after the date of enactment of the Higher Education Opportunity Act, the Comptroller General shall convene a study group the membership of which shall include the Secretary of Education, the Secretary of the Treasury, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, representatives of institutions of higher education with expertise in Federal and State financial aid assistance, State chief executive officers of higher education with a demonstrated commitment to simplifying the FAFSA, and such other individuals as the Comptroller General and the Secretary of Education may designate.

[(B) STUDY REQUIRED.—The Comptroller General, in consultation with the study group convened under subparagraph (A) shall—

[(i) review and build on the work of the Secretary of Education and the Secretary of the Treasury, and individuals with expertise in analysis of financial need, to assess alternative approaches for calculating the expected family contribution under the statutory need analysis formula in effect on the day before the date of enactment of the Higher Education Opportunity Act and under a new calculation that will use substantially less income and asset information than was used for the 2008–2009 FAFSA;

[(ii) conduct an additional analysis if necessary; and

[(iii) make recommendations to the authorizing committees.

[(C) OBJECTIVES OF STUDY.—The objectives of the study required under subparagraph (B) are—

[(i) to determine methods to shorten the FAFSA and make the FAFSA easier and less time-consuming to complete, thereby increasing higher education access for low-income students;

[(ii) to identify changes to the statutory need analysis formula that will be necessary to reduce the amount of financial information students and families need to provide to receive a determination of eligibility for student financial aid without causing significant redistribution of Federal grants and subsidized loans under this title; and

[(iii) to review State and institutional needs and uses for data collected on the FAFSA, and to determine the best means of addressing such needs in the case of modification of the FAFSA as described in clause (i), or modification of the need analysis formula as described in clause (ii).

[(D) REQUIRED SUBJECTS OF STUDY.—The study required under subparagraph (B) shall examine—

[(i) with respect to simplification of the financial aid application process using the statutory requirements for need analysis—

[(I) additional steps that can be taken to simplify the financial aid application process for students who (or, in the case of dependent students, whose parents) are not required to file a Federal income tax return for the prior taxable year;

[(II) information on State use of information provided on the FAFSA, including—

[(aa) whether a State uses, as of the time of the study, or can use, a student's expected family contribution based on data from two years prior to the student's planned enrollment date;

[(bb) the extent to which States and institutions will accept the data provided by the Internal Revenue Service to prepopulate the electronic version of the FAFSA to determine the distribution of State and institutional student financial aid funds;

[(cc) what data are used by States, as of the time of the study, to determine eligibility for State student financial aid, and whether the data are used for merit- or need-based aid;

[(dd) whether State data are required by State law, State regulations, or policy directives; and

[(ee) the extent to which any State-specific information requirements can be met by completion of a State application linked to the electronic version of the FAFSA; and

[(III) information on institutional needs, including the extent to which institutions of higher education are already using supplemental forms to collect additional data from students and their families to determine eligibility for institutional funds; and

[(ii) ways to reduce the amount of financial information students and families need to provide to receive a determination of eligibility for student financial aid, taking into account—

[(I) the amount of redistribution of Federal grants and subsidized loans under this title caused by such a reduction, and the benefits to be gained by having an application process that will be easier for students and their families;

[(II) students and families who do not file income tax returns;

[(III) the extent to which the full array of income and asset information collected on the FAFSA, as of the time of the study, plays an important role in the awarding of need-based State financial aid, and whether the State can use an expected family contribution generated by the

FAFSA, instead of income and asset information or a calculation with reduced data elements, to support determinations of eligibility for such State aid programs and, if not, what additional information will be needed or what changes to the FAFSA will be required; and

[(IV) information on institutional needs, including the extent to which institutions of higher education are already using supplemental forms to collect additional data from students and their families to determine eligibility for institutional funds; and

[(V) changes to this Act or other laws that will be required to implement a modified need analysis system.

[(4) CONSULTATION.—The Secretary shall consult with the Advisory Committee on Student Financial Assistance established under section 491 as appropriate in carrying out this subsection.

[(5) REPORTS.—

[(A) REPORTS ON STUDY.—The Secretary shall prepare and submit to the authorizing committees—

[(i) not later than one year after the date of enactment of the Higher Education Opportunity Act, an interim report on the progress of the study required under paragraph (3) that includes any preliminary recommendations by the study group established under such paragraph; and

[(ii) not later than two years after the date of enactment of the Higher Education Opportunity Act, a final report on the results of the study required under paragraph (3) that includes recommendations by the study group established under such paragraph.

[(B) REPORTS ON FAFSA SIMPLIFICATION EFFORTS.—The Secretary shall report to the authorizing committees, from time to time, on the progress of the simplification efforts under this subsection.]

(f) USE OF INTERNAL REVENUE SERVICE DATA RETRIEVAL TOOL TO POPULATE FAFSA.—

(1) SIMPLIFICATION EFFORTS.—The Secretary shall—

(A) make every effort to use data available from the Internal Revenue Service to reduce the amount of original data entry by applicants and strengthen the reliability of data used to calculate expected family contributions, including through the use of technology to—

(i) automatically populate the electronic version of the forms under this paragraph with data available from the Internal Revenue Service; and

(ii) direct an applicant to appropriate questions on such forms based on the applicant's answers to previous questions; and

(B) allow single taxpayers, married taxpayers filing jointly, and married taxpayers filing separately to utilize the data retrieval tool to its full capacity.

(2) *USE OF TAX RETURN IN APPLICATION PROCESS.*—The Secretary shall continue to examine whether data provided by the Internal Revenue Service can be used to generate an expected family contribution without additional action on the part of the student and taxpayer.

(3) *REPORTS ON FAFSA SIMPLIFICATION EFFORTS.*—Not less than once every other year, the Secretary shall report to the authorizing committees on the progress of the simplification efforts under this subsection.

(4) *REPORTS ON FAFSA ACCESS.*—Not less than once every 10 years, the Secretary shall report to the authorizing committees on the needs of limited English proficient students using the FAFSA.

(g) *ADDRESSING THE DIGITAL DIVIDE.*—The Secretary shall utilize savings accrued by moving more applicants to the electronic version of the forms described in subsection (a)(3) to improve access to the electronic version of the forms described in such subsection for applicants meeting the requirements of subsection (b) or (c) of section 479.

(h) *ADJUSTMENTS.*—The Secretary shall disclose, on the form notifying a student of the student’s expected family contribution, that the student may, on a case-by-case basis, qualify for an adjustment under section 479A to the cost of attendance or the values of the data items required to calculate the expected contribution for the student or parent. Such disclosure shall specify—

(1) the special circumstances under which a student or family member may qualify for such adjustment; and

(2) additional information regarding the steps a student or family member may take in order to seek an adjustment under section 479A.

* * * * *

