



*Building Connections. Advancing Equity. Promoting Success.*

TO: Betsy DeVos, Secretary of Education, U.S. Department of Education

FROM: National College Access Network

DATE: 20 September 2017

RE: Executive Order 13777, "Enforcing the Regulatory Reform Agenda," Comment Request  
[ED-2017-OS-0074-0001]

Thank for you this opportunity to provide feedback on the Regulatory Reform Agenda. The National College Access Network (NCAN) is a nonprofit organization dedicated to building, strengthening, and empowering communities committed to college access and success so that all students, especially those underrepresented in postsecondary education, can achieve their educational dreams. One of NCAN's policy priorities is to streamline the financial aid application process so that low-income and first-generation students do not face red tape when beginning their college education. As such, NCAN recommends that the Department of Education focus a portion of its efforts to reduce regulations affecting students on the burdensome Free Application for Federal Student Aid (FAFSA) verification process.

The biggest challenge with verification is that it unduly targets low-income students. Nearly all (98 percent) verified applicants are Pell-eligible and over half of *all* Pell Grant applicants are selected for verification. Low-income students who do not have support from a college access professional such as an NCAN member during the verification process often do not complete it.

In 2015-16, just 56 percent of Pell-eligible students who were selected for verification went on to receive a Pell Grant, while 78 percent of Pell-eligible students *not selected* for verification later went on to receive a grant (<http://www.collegeaccess.org/BlogItem?dg=d6aa53e665a14c46a4f32a6f64614482>). NCAN considers this 22 percentage-point difference in Pell Grant receipt between those selected and not selected for verification to be "verification melt." In other words, the verification process has deterred up to 28 percent of students from continuing their financial aid application and going on to receive a Pell Grant.

Verification is not only burdensome for students. In a survey of more than 600 institutions of higher education, over half [reported](#) that verification took up at least 25 percent of their office time, and one in five said it takes more than 50 percent. Financial aid administrators are spending a significant amount of time chasing verification documents rather than providing the type of counseling to students that can help them plan how to pay for college or improve their financial literacy.

To reduce this burden for students and financial aid administrators, NCAN highlights the following specific challenges and related recommendations:

- The criteria for which students are selected for verification are not made publicly available nor is whether students are randomly selected or only selected if their FAFSA sets off a "flag" in the system. While it may not be possible to be transparent about the full selection criteria, students should only be selected for verification if the possible error on their FAFSA, or trigger, would result in a significant change to their Expected Family Contribution (EFC). Given this lack of

information, it is difficult for advocates to make recommendations about which triggers to change. Instead, this memo highlights where filers experience the most burden in hopes that the Department can review procedures to decrease that burden on our low-income students. The Department's goal should be to verify as few students as possible while still maintaining enough oversight to discourage actively dishonest practices on the FAFSA.

- While dependent students who do not file taxes are no longer required to prove their non-filing status, many independent students and parents of dependent students will still need to complete this burdensome process. Individuals who do not file taxes experience great difficulty in receiving the proper documentation from the IRS for the exact reason that they are not tax filers. In fact, NCAN members report that regional IRS offices will not schedule appointments with non-tax filers seeking documentation to confirm their non-filing status. Further, the publicly released data on the percentage of filers who said they did not plan to file taxes but later did so was from a time when prior-year income was still in use for the FAFSA. With the switch to prior-prior year information, it is far less likely that families will inadvertently answer this question incorrectly. For example, under prior-year income, many low-income families filed the FAFSA and had no intention of filing taxes, but later would file taxes to receive a refundable tax credit and not realize that they needed to update their FAFSA form. The move to prior-prior year would negate this situation, as the tax year is already closed before the FAFSA season starts. The Department should at the very least review the percentage of families who claim to not have filed taxes but then later filed using 2016-17 data to see if the percentage has dropped. If so, this entire category may no longer be necessary.
- Students face a high level of burden in understanding and obtaining the appropriate documentation for the verification process. In particular, accessing an official tax transcript is particularly difficult for students. The verification process frequently happens in the spring, coinciding with the busiest time in the IRS office. During the 2016-17 FAFSA filing season, NCAN members reported wait times of far longer than the publicly reported 10 business days for students to receive their tax documents. This long wait can affect students' ability to obtain financial aid before the May 1 decision deadline at many institutions. Most low-income students are unable to use the Tax Transcript tool online because it requires verification through a cell phone in your name and a mortgage, car loan, or credit card, which are financial instruments that many low-income families do not have. To alleviate this paperwork burden, FAFSA filers should continue to be able to use the [alternative verification procedures](#) set in place during the IRS DRT outage of the 2016-17 filing season.
- When students are flagged for verification, it is the institution's responsibility to resolve that flag. If a student has applied to multiple institutions, which is our recommendation to all students to help them find an affordable option that is a good match, they must go through the verification process at each institution. Every institution has their own forms, their own requirements, and their own approach to support. While allowing institutions to set up their own systems may be less onerous for institutions, it creates tremendous additional burden on students. Also, many institutional procedures are [not clear](#) for students, which further complicates the process. The Department could help to alleviate some level of burden on students by streamlining the verification process so that students could submit one set of paperwork to all of the institutions to which they applied.

NCAN urges the Department of Education to consider these policy solutions related to the Regulatory Reform Agenda. By streamlining FAFSA verification to reduce burden for students, the burden on institutions of higher education would also be reduced. Ultimately, these mutually beneficial changes will help more students attend college and gain the support they need from their financial aid advisors.