

**NEWS RELEASE**  
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## **Linking FAFSA and 1040 Info Would Make Applying for College Aid Easier, Safer, More Accurate**

### ***Report Calls for Simplified Financial Aid Process for Students & Families***

The Institute for College Access & Success today called on the federal government to help prospective college students and families nationwide by dramatically simplifying the Free Application for Federal Student Aid (FAFSA). The current form is long, confusing and intimidating, causing many students to miss out on the college grants and loans they need. To streamline the process, the nonprofit group proposes letting applicants ask the Internal Revenue Service (IRS) to automatically answer many of the most difficult and important questions on the FAFSA.

That recommendation is the centerpiece of the Institute's new report, *Going to the Source: A Practical Way to Simplify the FAFSA*, which was funded with support from the Rosalinde and Arthur Gilbert Foundation and The Pew Charitable Trusts. The report finds that advances in technology at both the IRS and the U.S. Department of Education have created new opportunities to simplify the student aid application process. Most FAFSAs are already filed online, and full transcripts of tax data—which the IRS routinely provides to third parties at any taxpayer's request—recently became available in electronic form.

*Going to the Source* identifies 31 questions that applicants would no longer have to answer. These questions about income require students and parents to locate, calculate, and transcribe information from various lines on their tax forms to the FAFSA worksheets and application. The report finds that they could all be answered automatically and accurately with data from IRS transcripts, provided to the Department of Education at the applicant's request. That request could be as simple as a check-box on the FAFSA or the 1040.

“The most overwhelming part of the financial aid application process is tracking down, figuring out, and correctly entering all the required income information,” said Lauren Asher, report author and the Institute's Associate Director. “Students and parents would no longer face some of the most difficult, intimidating and error-prone questions on the FAFSA if they could give the Department of Education direct access to the answers in their tax records. This also would cut down on costly verification paperwork for colleges and universities, and would reduce the danger of sensitive information falling into the wrong hands. Going to the source would make the process much easier and more efficient for everyone: students, parents, colleges, and the Department of Education.”

The financial aid process is a widely recognized obstacle to college access and success. One indication is that an estimated 1.5 million U.S. college students who were likely eligible for

federal Pell grants did not apply for aid in 2004, nearly twice as many as in 2000. Research by the American Council on Education has found that while financial aid application rates are rising for students as a whole, rates for the lowest income students are not. Without adequate financial aid, qualified students are less likely to go to college right after high school, attend a four-year school, take classes full-time, or have enough time away from wage-earning work to focus on their studies. These factors all affect the odds of completing a degree.

Today, leaders in Congress plan to introduce legislation calling on the Department of Education and the IRS to move forward on simplifying the FAFSA as recommended in *Going to the Source*.

### **Support from Financial Aid and College Access Experts**

“The FAFSA is the gateway for the scholarships, grants, loans and work-study assistance that make it possible for millions of students to attend college. But its complexity discourages far too many students and families from applying for aid and achieving their college dreams,” said J.B. Schramm, Founder and CEO of College Summit, a nonprofit organization that helps school districts in low-income communities enroll more of their students in college and build college-ready culture in their schools. “The required income information can be extremely difficult for students from low-income families to track down, and parents are often reluctant to let their children see how little they earn. If the income information could be collected and processed automatically, it would definitely help more at-risk students get the aid they need to go to and get through college.”

“The current FAFSA is no friend to college financial aid offices,” said Tally Hart, Senior Advisor for the Office of Economic Access at Ohio State University, and former director of student financial aid. “Every year, we spend a huge amount of time and money verifying the income information on the form. We have to collect and store copies of families’ signed 1040s and confirm that the amounts applicants filled in on the FAFSA are correct. If the FAFSA already had the original tax information, it would save colleges more than \$400 million a year and be far more secure than requiring financial aid offices to keep thousands of old tax forms under lock and key.”

*Going to the Source: A Practical Way to Simplify the FAFSA* is available online at [www.ticas.org](http://www.ticas.org). For an illustration of the 31 questions that could be automatically answered with IRS data, see page nine.

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**MEDIA NOTE:** National and local experts are available to comment on the report; please call 202/371-1999 or 510/665-8222 for details.

*An independent, nonprofit organization, The Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research, analysis, and advocacy, the Institute aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society. The Institute has offices in Berkeley, CA and Washington, DC; for more information see [www.ticas.org](http://www.ticas.org).*