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Scholars Suggest Simplifying Federal Student-Aid System by Eliminating a Lengthy Form

By JOSH KELLER

The federal student-aid system should be drastically simplified by eliminating a cumbersome application form and using basic information from tax returns instead to calculate eligibility for financial aid, two scholars at Harvard University's John F. Kennedy School of Government argue in a paper released on Tuesday.

In the paper,
"College Grants on a Postcard: A Proposal for Simple and Predictable Federal Student Aid," the scholars, Susan M. Dynarski and Judith E. Scott-Clayton, say students should no longer be required to fill out the form, the Free Application for Federal Student Aid, or Fafsa.

Fafsa is the standard application that the federal government, state governments, and most colleges use to determine a student's eligibility for financial aid. Ms. Dynarski, who is an associate professor of public policy at the Kennedy School, and Ms. Scott-Clayton, who is a doctoral candidate there, say the form is too complicated. Furthermore, they say, it does not let students know how much aid they qualify for, and thus discourages many students from low-income families from applying to college and finishing their degrees.

Nearly all of the form's questions could simply be eliminated without significantly shifting aid distribution, the scholars say, citing an analysis of federal financial-aid data from the 2003-4 academic year.

Under their proposal -- an extension of a working paper that Ms. Dynarski and Ms. Scott-Clayton released last spring (*The Chronicle,*
May 1, 2006) -- the government would determine basic eligibility information, such as family income and size, from the students' and families' tax forms. Instead of filing a Fafsa, students would apply for aid by checking a box on their tax returns.

"Why have a separate application at all?" Ms. Dynarski said in an interview. "Why should you fill out your tax forms and then fill out a bunch of the same questions on your financial-aid form?"

Fafsa is longer than the most common federal income-tax forms, Ms. Dynarski said: At five pages and 128 questions, the student-aid questionnaire is longer than the 1040, 1040A, and 1040EZ tax forms. She and Ms. Scott-Clayton estimate that it takes an average of 10 hours to complete a Fafsa.

To simplify the calculation of aid eligibility, the scholars proposed combining Pell grants and tuition tax credits into a single federal student-aid program. Students would be able to look up their total grant eligibility by using a chart indexed to family income. For example, students in families with adjusted gross incomes of $75,000 to $99,999 would all be eligible for $300 per year, plus extra money if the family had additional dependents; incomes of $30,000 to $34,999 would yield a base yearly grant worth $2,400.

Student-aid programs, Ms. Dynarski said, will only be effective at encouraging students to enroll and to graduate when the benefits are easy to understand.

"Having a grant program that hides information about discounts is a bad idea," said Ms. Dynarski. "If you're going to give out aid, tell people about it."

Some higher-education advocates said that increasing access for low-income students is the right goal, but that redrafting the application process is a limited solution.

Brian K. Fitzgerald, executive director of the Business-Higher Education Forum, said increasing the purchasing power of grants and loans would have a much greater effect on enrollment than would eliminating Fafsa. Given that the vast majority of students already file the aid-application form online, the process is not as onerous as it has been in the past, he said.

"It's an elegant solution," Mr. Fitzgerald said of the Harvard scholars' proposal. "I'm just not sure how well it would work."

He said the proposal would divert more grants to higher-income families and leave the federal-loan system in limbo, and did not adequately deal with students who do not file a tax return. A better solution, he said, would be to increase support for "auto zero" programs, which allow students below a certain income level to automatically be assigned a zero as their family's expected financial contribution to their college costs, and to raise the maximum Pell Grant award.

"If Pell doesn't keep pace with inflation," Mr. Fitzgerald said, "we could drop Pell Grant vouchers from airplanes, and kids still wouldn't be able to go to college."