

108TH CONGRESS  
1ST SESSION

# H. R. 2956

To begin the process of simplifying the Federal student financial aid process, making it easier and more understandable for students and families to participate in Federal student financial aid programs.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2003

Mr. McKEON (for himself, Mr. EMANUEL, Mr. BOEHNER, Mr. KILDEE, Mr. PETRI, Ms. WOOLSEY, Mr. KELLER, Mr. TIERNEY, Mr. GREENWOOD, Mrs. DAVIS of California, Mr. GRIJALVA, Mr. BISHOP of New York, Mr. KUCINICH, Mr. OSBORNE, Mr. HOLT, Mr. DAVIS of Illinois, Mr. ISAKSON, Mr. BALLENGER, Mr. SOUDER, Mr. CUNNINGHAM, Mr. UPTON, Mr. BLUNT, and Mr. EHLERS) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To begin the process of simplifying the Federal student financial aid process, making it easier and more understandable for students and families to participate in Federal student financial aid programs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SEC. 1. SHORT TITLE; REFERENCE.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Financial Aid Simplification Act”.

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

**SEC. 2. SIMPLIFICATION OF THE FREE APPLICATION FOR  
FEDERAL STUDENT AID (FASFA).**

Section 491 (20 U.S.C. 1098) is amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection:

“(k) SPECIAL STUDY OF SIMPLIFICATION OF NEED ANALYSIS AND APPLICATION FOR TITLE IV AID.—

“(1) STUDY REQUIRED.—The Advisory Committee shall conduct a thorough study of the feasibility of simplifying the need analysis methodology for all Federal student financial assistance programs and the process of applying for such assistance.

“(2) REQUIRED SUBJECTS OF STUDY.—In performing the study, the Advisory Committee shall, at a minimum, examine the following:

“(A) whether the methodology used to calculate the expected family contribution can be

1 simplified without significant adverse effects on  
2 program intent, costs, integrity, delivery, and  
3 distribution of awards;

4 “(B) whether the number of data elements,  
5 and, accordingly, the number and complexity of  
6 questions asked of students and families, used  
7 to calculate the expected family contribution  
8 can be reduced without such adverse effects;

9 “(C) whether the procedures for deter-  
10 mining such data elements, including deter-  
11 mining and updating offsets and allowances, is  
12 the most efficient, effective, and fair means to  
13 determine a family’s available income and as-  
14 sets;

15 “(D) whether the nature and timing of ap-  
16 plication required in section 483 (a)(1), eligi-  
17 bility and award determination, financial aid  
18 processing, and funds delivery can be stream-  
19 lined further for students and families, institu-  
20 tions, and States;

21 “(E) whether it is feasible to allow stu-  
22 dents to complete limited sections of the finan-  
23 cial aid application that only apply to their spe-  
24 cific circumstances and the State in which they  
25 reside;

1           “(F) whether a widely disseminated print-  
2           ed form, or the use of an Internet or other elec-  
3           tronic means, can be developed to notify indi-  
4           viduals of an estimation of their approximate  
5           eligibility for grant, work-study and loan assist-  
6           ance upon completion and verification of the  
7           simplified application form; and

8           “(G) whether information provided on  
9           other Federal forms (such as the form applying  
10          for supplemental security income under title  
11          XVI of the Social Security Act, the form for ap-  
12          plying for food stamps under the Food Stamp  
13          Act of 1977, and the schedule for applying for  
14          the earned income tax credit under section 32  
15          of the Internal Revenue Code of 1986) that are  
16          designed to determine eligibility for various  
17          Federal need-based assistance programs could  
18          be used to qualify potential students for the  
19          simplified needs test.

20          “(3) ADDITIONAL CONSIDERATIONS.—In con-  
21          ducting the feasibility study, the Advisory Commit-  
22          tee’s primary objective under this subsection shall be  
23          simplifying the financial aid application forms and  
24          process and obtaining a substantial reduction in the  
25          number of required data items. In carrying out that

1 objective, the Advisory Committee shall pay special  
2 attention to the needs of low-income and moderate-  
3 income students and families.

4 “(4) CONSULTATION.—

5 “(A) IN GENERAL.—The Advisory Com-  
6 mittee shall consult with a broad range of inter-  
7 ested parties in higher education, including par-  
8 ents and students, high school guidance coun-  
9 selors, financial aid and other campus adminis-  
10 trators, and administrators of intervention and  
11 outreach programs.

12 “(B) FORMS DESIGN EXPERT.—With the  
13 goal of making significant changes to the form  
14 to make the questions more easily understand-  
15 able, the Advisory Committee shall consult a  
16 forms design expert to ensure that the revised  
17 application form is easily readable and under-  
18 stood by parents, students and other members  
19 of the public.

20 “(C) CONGRESSIONAL CONSULTATION.—

21 The Advisory Committee shall consult on a reg-  
22 ular basis with the Committee on Education  
23 and the Workforce of the House of Representa-  
24 tives and the Committee on Health, Education,  
25 Labor and Pensions of the Senate in carrying

1 out the feasibility study required by this sub-  
2 section.

3 “(D) DEPARTMENTAL CONSULTATION.—

4 The Secretary of Education shall provide such  
5 assistance to the Advisory Committee as is re-  
6 quested and practicable in conducting the study  
7 required by this subsection.

8 “(5) REPORT.—The Advisory Committee shall,  
9 not later than 2 years after the date of enactment  
10 of the Financial Aid Simplification Act, prepare and  
11 submit a report on the study required by this section  
12 to the Committee on Education and the Workforce  
13 of the House of Representatives and the Committee  
14 on Health, Education, Labor and Pensions of the  
15 Senate.

16 “(6) IMPLEMENTATION.—Within 1 year of sub-  
17 mission of such report, the Secretary of Education  
18 shall consult with the Committee on Education and  
19 the Workforce of the House of Representatives and  
20 the Committee on Health, Education, Labor and  
21 Pensions of the Senate and shall subsequently ini-  
22 tiate a redesign of the form required by the Sec-  
23 retary under section 483. Such redesign shall in-  
24 clude the testing of alternative simplified versions of  
25 the free Federal form. The Secretary shall report on

1 the progress of these efforts to the Committee on  
 2 Education and the Workforce of the House of Rep-  
 3 resentatives and the Committee on Health, Edu-  
 4 cation, Labor and Pensions of the Senate not later  
 5 than one year after receipt of the Advisory Com-  
 6 mittee report required by this section.”.

7 **SEC. 3. SIMPLIFIED NEEDS TEST IMPROVEMENTS.**

8 Section 479 (20 U.S.C. 1087ss) is amended—

9 (1) by striking clause (i) of subsection (b)(1)(A)  
 10 and inserting the following:

11 “(i) the student’s parents file a form  
 12 described in paragraph (3) or certify that  
 13 they are not required to file an income tax  
 14 return, or the student’s parents or the stu-  
 15 dent received benefits under a means-test-  
 16 ed Federal benefit program;”;

17 (2) by striking clause (i) of subsection  
 18 (b)(1)(B) and inserting the following:

19 “(i) the student (and the student’s  
 20 spouse, if any) files a form described in  
 21 paragraph (3) or certifies that the student  
 22 (and the student’s spouse, if any) is not re-  
 23 quired to file an income tax return, or the  
 24 student (or the student’s spouse, if any)

1 received benefits under a means-tested  
2 Federal benefit program;”;

3 (3) by striking subparagraph (A) of subsection  
4 (c)(1) and inserting the following:

5 “(A) the student’s parents file a form de-  
6 scribed in subsection (b)(3) or certify that they  
7 are not required to file an income tax return,  
8 or the student’s parents or the student received  
9 benefits under a means-tested Federal benefit  
10 program;”;

11 (4) by striking subparagraph (A) of subsection  
12 (c)(2) and inserting the following:

13 “(A) the student (and the student’s  
14 spouse, if any) files a form described in sub-  
15 section (b)(3) or certifies that the student (and  
16 the student’s spouse, if any) is not required to  
17 file an income tax return, or the student (or the  
18 student’s spouse, if any) received benefits under  
19 a means-tested Federal benefit program;”;

20 (5) by adding at the end the following new sub-  
21 section:

22 “(d) DEFINITION OF MEANS-TESTED FEDERAL  
23 BENEFIT PROGRAM.—For purposes of this section, the  
24 term ‘means-tested Federal benefit program’ means a  
25 mandatory spending program of the Federal Government



1 in which eligibility for the programs' benefits, or the  
 2 amount of such benefits, or both, are determined on the  
 3 basis of income or resources of the individual or family  
 4 seeking the benefit, and includes the supplemental security  
 5 income program under title XVI of the Social Security,  
 6 the food stamp program under the Food Stamp Act of  
 7 1977, and the free and reduced price school lunch pro-  
 8 gram under the Richard B. Russell National School Lunch  
 9 Act.”.

10 **SEC. 4. EXPANDING INFORMATION DISSEMINATION RE-**  
 11 **GARDING ELIGIBILITY FOR PELL GRANTS.**

12 Sec 483(a) (20 U.S.C. 1090(a)) is amended by add-  
 13 ing at the end the following new paragraph:

14 “(8) EXPANDING INFORMATION DISSEMINATION  
 15 REGARDING ELIGIBILITY FOR PELL GRANTS.—The  
 16 Secretary shall make special efforts, in conjunction  
 17 with State efforts, to notify students and their par-  
 18 ents who qualify for a free lunch under the Richard  
 19 B. Russell National School Lunch Act (42 U.S.C.  
 20 1751 et seq.), the Food Stamps program, or such  
 21 programs as the Secretary shall determine, of their  
 22 potential eligibility for a maximum Pell Grant, and  
 23 shall disseminate such informational materials as the  
 24 Secretary deems necessary.”.

1   **SEC. 5. IMPLEMENTATION.**

2           Sections 482(c) and 492 of the Higher Education Act  
3 of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to  
4 the regulations implementing the amendments made by  
5 section 2 of this Act.

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