



**Written Testimony on behalf of the
California Association of Student Financial Aid Administrators
to the U.S. Department of Education, Office of Postsecondary Education,
in response to the May 26, 2009, Notice of Negotiated Rulemaking for Programs
Authorized under Title IV of the Higher Education Act of 1965, as Amended**

June 18, 2009

The below detailed list of issues for negotiation are submitted on behalf of the California Association of Student Financial Aid Administrators (CASFAA). CASFAA represents approximately 1600 financial aid administrators from over 600 higher education institutions from every school segment throughout California.

In delivering student financial aid services, CASFAA's goals include:

- Providing training and professional development opportunities for our diverse membership base so that students and their parents receive the highest quality service possible
- Informing members with relevant and timely information about financial aid issues in order to stay informed and up to date with the many changes as they happen in our field
- CASFAA is committed to working cooperatively with all postsecondary industry participants and representative organizations in fulfilling the promise of educational access and choice

Issues for Negotiation

CASFAA feels there are several overarching principles on which the Department should concentrate during the negotiated rulemaking process. Specifically, CASFAA suggests that the Department focus on changes to the regulations that simplify the financial aid process while protecting the integrity of the various programs thereby supporting educational access for all students. In keeping with these principles, CASFAA proposes the following list of issues for negotiation:



CASFAA's COMMENTS ON SUGGESTED TOPICS FOR NEGOTIATED RULEMAKING

1. Satisfactory Academic Progress

Regulatory Cite: 668.16(e) and 668.34

Comment: The existing standards of Satisfactory Academic Progress (SAP) have proven to be an effective tool to evaluate students' academic progress. Educational institutions have perfected SAP policies and procedures to ensure the integrity and consistency of the academic progress evaluation process. The current SAP standards allow the school to develop procedures that are appropriate to the student population and are relevant to academic program objectives. The current SAP standards also allow educational institutions to be proactive in preventing students' loss of eligibility for financial aid and ensuring students' consistent progress towards graduation.

As presented by ED staff at the Federal Student Aid Conference, SAP was not included in the 10 top audit or program review findings for the 2006 or the 2007 award years. This supports the position that current regulations provide an adequate framework for the school to maintain effective SAP evaluation procedures.

2. Selection of Applications for Verification

Regulatory Cite: 668.54

Comment: We are seeking a change to the current practice of random verification for FAFSA information, based mostly on which students will be eligible for some grants. These low income students are the ones we work at attracting to our schools only to find that they are most likely the ones selected for verification. It seems that wealthy students very rarely need to provide verification.

In order to eliminate this discriminatory practice, every student should be verified the first time they apply for financial aid at an institution. This way, we know that the student understands the correct way to complete the FAFSA, and there should be no pinpointing of a particular income category of student simply because they may qualify for a grant. After the first year, the institution can determine if a discrepancy exists in any of the following years, and select the file for verification at that time. The advantages to this system are: elimination of the current discriminatory need-based system; new students can be trained in making sure the FAFSA is completed correctly and there will be a predictability based on the first time completion of a FAFSA at an institution.



3. Items to be Verified and Acceptable Documentation

Regulatory Cite: 668.56 and 668.57

Comment: The verification process is complicated, difficult to understand and invasive for many families. The financial aid community has been waiting since the 1998 reauthorization for an Internal Revenue Service and US Department of Education link to eliminate the necessity of verifying the Form 1040 information. This simplification would make the FAFSA verification process a simple one for the majority of students and their parents.

Another change that would simplify the verification process is removing the requirement that financial aid administrators act as Internal Revenue Service agents. Requiring families to re-submit their tax returns because it is incorrectly completed should not be the preveue of the financial aid administrator but rather the Internal Revenue Service's. It is not appropriate for a financial aid administrator to have to determine whether or not a student or their parent has correctly done the following:

- Has filed a tax return or should file a tax return
- Have completed the correct version of the Form 1040
- Has the dependent claimed themselves and then been claimed by the parent(s)
- Have claimed the correct Filing Status

4. State Authorization as a Component of Institutional Eligibility

Regulatory Cite: TBD

Comment: State authorization is not an essential element needed for determining institutional eligibility. We believe the accreditation that each institution receives from their regional and/or national accrediting bodies are sufficient to set the standards for an institution to meet in order to exist as an institution of higher education.

5. Definition of a Credit Hour for Purposes of Determining Program Eligibility Status, Particularly in the Context of Awarding Pell Grants

Regulatory Cite: TBD

Comment: CASFAA believes our Regional and National accrediting bodies provide a clear and concise definition of a credit hour which each school must comply with in order to receive accreditation. We do not want the accrediting body's definition of a credit hour to conflict with one the Department may develop. It is this conflict that causes confusion in the financial aid office that often times causes uncertainty on the part of the institution when providing funds to the students.



CASFAA appreciates the Department's consideration of this testimony and offers itself as a resource to the Department on these and other issues that the Department may consider in the negotiated rulemaking process. Thank you.

